

**ARKANSAS STATE UNIVERSITY**  
**Board of Trustees**  
**June 6, 2003**

The Arkansas State University Board of Trustees met on Friday, June 6, 2003, on the Jonesboro campus in the conference room of the President=s office by teleconference call. Mr. John Paul Hammerschmidt, Chair of the Board of Trustees, called the meeting to order at 10:03 a.m. A roll call confirmed the presence of the following board members: Mr. Mike Medlock, Vice Chair; Ms. Florine Tousant Bingham, Secretary; Colonel Dallas Wood, and Mr. Richard Bell. Also joining by telephone were: Dr. Eugene McKay, Chancellor, ASU-Beebe; Dr. Ed Coulter, Chancellor, ASU-Mountain Home; and Dr. Larry Williams, Chancellor, ASU-Newport. President Leslie Wyatt, members of the ASU faculty, staff, students, and local media attended.

Mr. Hammerschmidt stated the first item of business was the approval of minutes.

Upon motion by Mr. Medlock, second by Mr. Bell, the minutes of May 9, 2003, were approved.

Ayes: Hammerschmidt, Medlock, Bingham, Wood, Bell

Nays: None

Mr. Hammerschmidt then proceeded to the Consent Agenda items.

< Resolution 03-34, Authorizing ASU-Jonesboro to Increase the Student Union Fee from \$5 per Credit Hour to \$10 per Credit Hour.

Dr. Wyatt explained that there were representatives from the Student Affairs office, Student Government Association, and others across the campus who were actively involved in the development of this proposal, many of whom were present. This action will permit an increase in the fee for the Student Union in order to produce enough money to help finish and furnish the facility and to provide operating expenses in the future. The university has a beautiful building under construction; however, there is not enough funding from the state to operate it. This funding has been developed in coordination with student leadership, who stand in support of this proposal to provide a wonderful facility for student use on the Jonesboro campus.

Upon motion by Colonel Wood, second by Ms. Bingham, Resolution 03-34 was approved.

Ayes: Hammerschmidt, Medlock, Bingham, Wood, Bell

Nays: None

< Resolution 03-35, Authorizing ASU-Technical Center to Add a Technology Fee of \$3 per Credit Hour.

Currently, there is no technology fee at the Technical Center at Marked Tree or the branch in Jonesboro. Dr. Wyatt said there is need of an assessment to be able

to provide additional technology, particularly computers, for the students. The fee is designed to provide on-going support for the Marked Tree campus and the Jonesboro branch.

Mr. Hammerschmidt remarked that Dr. Wyatt had discussed the proposed resolution and those to follow with the individual board members prior to the meeting.

Upon motion by Mr. Bell, second by Mr. Medlock, Resolution 03-35 was approved.

Ayes: Hammerschmidt, Medlock, Bingham, Wood, Bell

Nays: None

< Resolution 03-36, Authorizing ASU-Beebe to Increase Quality Improvement Fee from \$2 per Credit Hour to \$5 per Credit Hour.

This proposal will bring Beebe in line with the other two-year campuses of the university by allowing an assessment to the students for technology and quality improvement aspects of operation.

Upon motion by Ms. Bingham, second by Colonel Wood, Resolution 03-36 was approved.

Ayes: Hammerschmidt, Medlock, Bingham, Wood, Bell

Nays: None

- < Resolution 03-37, Approving Amounts for Promotional Expenditures for the 2003-2004 Fiscal Year for All Campuses.

Dr. Wyatt explained that the board is required to give annual approval for funds to be used in support and promotion of campus activities. A list of expenses incurred for the current year and previous years has been provided to the board. The university would like to continue that distribution in the coming year, because of the benefits received from the expenditures in making the operations and programs of the campuses known throughout a large community. The fees requested would be contained within the operational budget of the institution for next year and continue along the same lines of expenditures that have been made in the past. This approval is in accordance with state law.

Upon motion by Mr. Medlock, second by Mr. Bell, Resolution 03-37 was approved.

Ayes: Hammerschmidt, Medlock, Bingham, Wood, Bell

Nays: None

- < Resolution 03-38, Approving Increases in Tuition at ASU-Jonesboro, ASU-Beebe, ASU-Mountain Home, ASU-Newport, and ASU-Technical Center.

Dr. Wyatt expressed his gratitude to the individual members of the board for working with the university in the development process of this proposal. He said it is the board's wish and instruction that tuition be kept at a manageable level for the students and their families, and to minimize the increases. However, sometimes it is necessary, because there is insufficient money to do the operation that the board would like to see, as is the case in the coming year as well. Despite budget cuts that have been received because of the decline in state funding, the university has been able to stabilize programs within the institution with funding on hand; however, costs have increased on each of the campuses. The proposed tuition increases are to meet new expenses that will be reflected in next year's operation. At the Jonesboro campus, there will be an increase in tuition of 5% for the 2003-2004 fiscal year for resident undergraduate students, and an increase of 7.1% for each of the two-year campuses for resident undergraduate students. In terms of the actual cost, or what this percentage of tuition increase will translate to: A student who is taking a full load of courses at the Jonesboro campus would see an increase of \$72 in the cost of participation; a student at the two-year campuses would see a cost increase of less than \$25. This money will be spent for a list of purposes which have been discussed on the campuses. A recent meeting was held on the Jonesboro campus with the University Planning Committee so that everyone could understand the expenditures that are absolutely necessary to keep pace with the programs and the needs of the employees. However, there is one significant omission from the expenditure pattern that will be provided by this tuition increase: There will be no salary increases for

employees on any of the campuses. While the board has expressed their individual and collective interest in providing additional compensation for the employee groups on our campuses, at this time, there is no funding. Dr. Wyatt said he was reluctant to put this burden on the students who would pay these bills, and instead offered the commitment to work with the employees to approach the legislature at the next special session opportunity to obtain additional funding from the state to provide support for employee salary increases as the state has always supplied in the past. For the purposes of continuing operation, the university requests this tuition increase for the coming year. All other items in the budget will be continued, especially scholarship funding. Scholarships will continue to be a part of the operating budget in the coming year at the same dollar volume as they have been in the current fiscal year. In addition, we have worked with the state to encourage renewed funding for the Academic Challenge and Academic Distinction scholarship programs. A combination of the scholarship packages would permit students to have some capability to meet the increased cost proposed.

Colonel Wood commented that Dr. Wyatt had stated that if efforts are successful in working with the state in obtaining additional monies, raises would be effective in January 2004. Dr. Wyatt said the moment that money is in hand for salary increases, there is the capability to make those adjustments be retroactive to the start of the employment period by provision of the state. It is a matter of spreading the money over a period that the employee works, whether four and one-half months, nine months, or twelve months. Dr. Wyatt said it was his intent to

address employees, both classified and non-classified staff and faculty, to get everyone working together to present the case to the legislature for these increases.

Upon motion by Colonel Wood, second by Mr. Bell, Resolution 03-38 was approved.

Ayes: Hammerschmidt, Medlock, Bingham, Wood, Bell

Nays: None

< Resolution 03-39, Approving Fiscal Year 2003-2004 Operating Budgets and Authority to Execute the Budget During the Next Fiscal Year.

Dr. Wyatt said that he had shared with each board member individually a substantial stack of documents that reflect the printed operational budgets for the ASU-System and the Jonesboro, Beebe, Mountain Home, and Newport campuses. There have been no changes since the board received their initial copies. This is a spending plan for the university which may be adjusted as circumstances are warranted. In comparison, the set of budget documents are very similar to the previous year, in that they represent almost a steady state budget. Upon approval, these will become public documents in the library on the Jonesboro campus and at other locations.

Upon motion by Mr. Medlock, second by Ms. Bingham, Resolution 03-39 was approved.

Ayes: Hammerschmidt, Medlock, Bingham, Wood, Bell

Nays: None

Mr. Hammerschmidt then recognized Dr. Eugene McKay, Chancellor of ASU-Beebe for comments. Dr. McKay stated that due to Dr. Ruth Couch retiring as Vice Chancellor of Academic Affairs, a committee was formed to select her replacement. He was pleased to announce the appointment of Dr. Charles (Chuck) L. Welch, who has served as Division Chair of University Studies at Pulaski Technical College. Mr. Hammerschmidt stated that he and the board look forward to working with Dr. Welch.

With no further comments or questions, Mr. Hammerschmidt stated that the board would recess for Executive Session and reconvene to vote on any personnel items discussed during that time.

Upon motion by Mr. Bell, second by Colonel Wood, the board retired into Executive Session at 10:21 a.m.

Ayes: Hammerschmidt, Medlock, Bingham, Wood, Bell

Nays: None

Mr. Hammerschmidt reconvened the board at 10:57 a.m.

Upon motion by Ms. Bingham, second by Colonel Wood, the academic appointments for Jonesboro, Heber Springs, and Mountain Home campuses were approved.



Ayes: Hammerschmidt, Medlock, Bingham, Wood, Bell

Nays: None

Upon motion by Mr. Bell, second by Mr. Medlock, the non-academic appointments for Jonesboro, Heber Springs, and Mountain Home campuses were approved.

Ayes: Hammerschmidt, Medlock, Bingham, Wood, Bell

Nays: None

Upon motion by Mr. Bell, second by Colonel Wood, the academic and non-academic reassignments of duty for the Jonesboro campus were approved.

Ayes: Hammerschmidt, Medlock, Bingham, Wood, Bell

Nays: None

Mr. Hammerschmidt stated that he was pleased to announce that the board approved

Dr. Wyatt=s salary for another year as budgeted. Mr. Bell added that the board also voted to extend

Dr. Wyatt=s contract for one year.

Mr. Hammerschmidt then asked if there was any other business. Dr. Wyatt said that while the budget books reflect a flat steady state budget, there are two

significant additions to the budget which will drive the number upward compared to last year: The operation for the Marked Tree Technical Center has been separately budgeted apart from, but within the general allocation specified in the Jonesboro budget book. In addition, the budget which has been associated formerly with Foothills Technical Institute has been included in the appropriation for the Beebe campus, and that operation appears in the Beebe budget book. There have been modest increases in state appropriations, and there also are added reclassifications of budgets which has inflated the overall number compared to the last biennium. As the new biennium begins, there are two new campuses compared to the last biennium. The second important issue is student expenses as they relate to the tuition increases.

As the cost of attendance continues to escalate, the concern is the university's role in attempting to minimize those expenses. In an effort to do so, the Jonesboro campus will announce today and will circulate information in the form of a brochure, which has been given to board members, a guarantee program which will permit students in many academic areas to finish their curriculum in a four-year period. While it is often stated that a college degree takes four years to complete, many times students either elect to take longer or would be required to take a longer period because of sequencing of classes. With this guarantee, if a student will conform to the conditions of the agreement, such as attending full time for four years and maintaining a sufficient grade point average to assure completion, the university will make arrangements to insure that the curriculum be completed during a four year

period as defined. In economic terms, the student will save the expense for additional years of study, an expense which can amount to \$20,000 to \$30,000. Not only will the student save money, they will get to work earlier and make money with a college degree in hand. Dr. Wyatt stated that ASU is probably the first institution in the state to offer this iron-clad guarantee to the students, and are probably one of the few universities in the country to make this pronouncement. The advantage to the students and their families is the ability to plan for the costs which are associated with a college degree. While the costs are considerable, this is a guarantee of an investment that will return dividends. In closing, Dr. Wyatt said there will be an significant announcement forthcoming on the Jonesboro campus resulting from an action by the United States Congress. For the benefit of the media present, he stated that information will be circulated in the very near future that will be good news for the university.

With no further comments or questions, and upon motion by Mr. Bell, second by Mr. Medlock, the board adjourned at 11:05 a.m.

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Florine Tousant Bingham, Secretary

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John Paul Hammerschmidt, Chair

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Contact: Rick Stripling 972-2048

## EXECUTIVE SUMMARY

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ACTION ITEM: Arkansas State University-Jonesboro requests approval of a \$5 per credit hour increase in the Student Union fee to begin July 1, 2003 or the Summer II term 2003. Monies collected from this fee will be used exclusively to provide furniture, fixtures, landscape, equipment, and operating costs for the new Student Union.

ISSUE: Arkansas State University-Jonesboro requires additional revenue sources to fund the purchase of furniture, fixtures, equipment, and landscaping for the new Student Union. Moreover, new revenues will assist in funding the ongoing operational costs for the new facility.

BACKGROUND:

- In the spring of 1998, a student initiative to establish a fee to construct a first-class student center was approved by the ASU Board of Trustees. During the planning and construction, only funds for construction were necessary. Therefore, the fee was established at \$5 per credit hour to cover only the amount that was absolutely needed to fund debt service for the facility while under construction.
- The \$18 million necessary to build the new space was supported by the initial fee. Another \$12 million to renovate the current Reng Center was financed by other sources, including an \$8 million appropriation from the State of Arkansas.
- The new space will open in the fall semester of 2003 and additional funding is necessary to finish, landscape, furnish, and maintain the facility.
- The 84<sup>th</sup> General Assembly allocated \$729,276 toward the purchase of furniture. This amount will be allocated to ASU over a period of two years in several disbursements. Funding is still needed for landscaping and the east and west plaza areas.

## EXECUTIVE SUMMARY

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- Based on estimated credit hour production, the \$5 per credit hour increase will generate approximately \$1,250,000 annually. The building will be completed by fall of 2003; however, furniture, equipment, and fixtures have been selected and ordered during the spring 2003 term to arrive on time. Therefore, funds generated by the fee increase will be used as debt service for a 3-year loan with a beginning period to commence spring 2003.
- The additional fee will be used to pay for:
  - The Fitness Center, which will need specialized equipment to provide appropriate exercise, strength, and cardiovascular training.
  - The east and west plaza areas, which need exterior furnishings and equipment for dining and various student events, such as Homecoming and Spring Fest. The goal is to make this a true “commons” area for gatherings occurring at the academic core.
  - Finishing costs and audio-visual equipment for the auditorium.
  - Future renovations and equipment replacement as the facility ages.

## RECOMMENDATION/RESOLUTION:

Be it resolved that Arkansas State University-Jonesboro is authorized to increase the Student Union fee from \$5 per credit hour to \$10 per credit hour effective for the Fall 2003 semester.

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Florine Tousant Bingham, Secretary

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John Paul Hammerschmidt, Chair

**EXECUTIVE SUMMARY**

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ACTION ITEM: Arkansas State University-Technical Center (ASUTC) requests authority to add a \$3.00 per credit hour technology fee beginning in the Fall 2003 semester.

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 this fee to assist in the maintenance and up-keep cost of information technology equipment.

BACKGROUND:

Arkansas State University-Technical Center (ASUTC) requires a technology fee of \$3.00 per credit hour. Currently, general revenue funds are bearing this cost and fiscal year 2003-2004 reductions have caused a hardship in this area. This is a marginal increase of \$40,830.

RECOMMENDATION/RESOLUTION:

Be it resolved that Arkansas State University-Technical Center be authorized to add a technology fee of \$3.00 per credit hour effective Fall 2003.

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Florine Tousant Bingham, Secretary  
Chair

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John Paul Hammerschmidt,

Arkansas State University  
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June 6, 2003

EXECUTIVE SUMMARY

Contact: Dr. Eugene McKay (501) 882-8356

ACTION ITEM: Arkansas State University-Beebe (ASUB) requests authority to increase the Quality Improvement fee.

ISSUE: Arkansas State University-Beebe wishes to increase the Quality Improvement fee from \$2 per credit hour to \$5 per credit hour.

BACKGROUND:

- Increasing this fee would align ASUB fees with the other ASU two-year campuses;
- This fee is used to buy computers, primarily for student use in the classroom and labs;
- The \$5 per credit hour fee will enable us to provide the students with high quality computer instruction.
- ASUB wishes to implement the new fee rate beginning with the Fall 2003 semester.

RECOMMENDATION/RESOLUTION:

Be it resolved that Arkansas State University-Beebe be authorized to increase the Quality Improvement Fee from \$2 per credit hour to \$5 per credit hour beginning with the Fall 2003 semester.

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Florine Tousant Bingham, Secretary

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John Paul Hammerschmidt, Chair

EXECUTIVE SUMMARY

Contact: Jennus L. Burton (910-8200)

ACTION ITEM: Arkansas State University (ASU) requests Board approval to establish amounts for promotional expenditures for the 2003-2004 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:

- 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.
- 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 2003-2004 fiscal year.
- The following amounts are being requested for each of the campuses:

Arkansas State University - Jonesboro	\$100,000
Arkansas State University - Beebe	30,000
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.



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EXECUTIVE SUMMARY  
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Contact: Dr. Les Wyatt 972-

ACTION ITEM: Arkansas State University-Jonesboro (ASUJ) requests authority to increase tuition for the fiscal year 2003-2004 an average of 5%. The two-year campuses within the ASU-system (ASU-Mountain Home, ASU-Beebe, and ASU-Newport) request authority to increase tuition for fiscal year 2003-2004 an average of 7.1%. Arkansas State University-Technical Center requests authority to increase technical program tuition for fiscal year 2003-2004 from \$40 per credit hour to \$50 per credit hour.

ISSUE:

Arkansas State University has many competing priorities and needs. 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 5.0% more in tuition for the 2003-2004 fiscal year to supplement other revenues and 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	\$1,428	\$1,500	5.0 %
Resident Graduate	\$1,800	\$1,896	5.3 %
Non-Resident Undergraduate	\$3,672	\$3,864	5.2 %
Non-Resident Graduate	\$4,560	\$4,800	5.3 %

	<b>REGULAR</b>	<b>SUMMER</b>
<u>Current</u>	<u>Term</u>	<u>Term</u>

Undergraduate:

Arkansas Resident per hour	\$119	\$125	\$125
Arkansas Non-Resident Additional Fee per hour	\$187	\$197	\$197

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Contact: Dr. Les Wyatt 972-

	<u>Current</u>	<u>Regular Term</u>	<u>Summer Term</u>
<b><u>Graduate:</u></b>			
Arkansas Resident per hour	\$150	\$158	\$158
Arkansas Non-Resident Additional Fee per hour	\$230	\$242	\$242

**Off-Campus Courses, including distance learning classes, per hour:**

Arkansas Resident Undergraduate	\$158	\$158
Arkansas Resident Graduate	\$181	\$181
Additional Fee, Non-Resident Undergraduate	\$197	\$197
Additional Fee, Non-Resident Graduate	\$242	\$242

**ARKANSAS STATE UNIVERSITY-NEWPORT:**

Arkansas State University-Newport requires an average increase of 7.1% in tuition for the 2003-2004 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	\$ 672	\$ 720	7.1%
Non-Resident Undergraduate	\$1,140	\$1,224	7.3 %

	<u>Regular Term</u>	<u>Summer Term</u>
<b><u>Off-campus Courses per hour:</u></b>	\$65	\$65

**ARKANSAS STATE UNIVERSITY-BEEBE:**

Arkansas State University-Beebe requires an increase of approximately 7.1% in tuition for the 2003-2004 fiscal year. This increase is needed to offset reductions in state appropriated funds and

increases in fixed costs, primarily employee fringe benefits. The summary of new tuition rates follows (based on a 12 hour load):

	<u>Current</u>	<u>Proposed</u>	<u>% Change</u>
Resident Undergraduate	\$ 672	\$ 720	7.1 %
Non-Resident Undergraduate	\$1,140	\$1,224	7.4 %
ASUHS In-County Tuition	\$ 600	\$ 648	8.0 %
ASUHS Out-of-County Tuition	\$ 672	\$ 720	7.1 %

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Contact: Dr. Les Wyatt 972-

The following per hour rates are proposed:

	Current	Regular <u>Term</u>	Summer <u>Term</u>
<u>Per hour:</u>			
Resident Tuition	\$ 56	\$ 60	\$ 60
Non-Resident Tuition	\$ 95	\$102	\$102
ASUHS In-County Tuition	N/A	\$ 54	\$ 54
ASUHS Out-of-County Tuition	N/A	\$ 60	\$ 60

	Current	Regular <u>Term</u>	Summer <u>Term</u>
<u>Off-campus Courses per hour:</u>			
ASU-Beebe	\$ 58	\$ 65	\$ 65
ASUHS In-County Off-Campus	N/A	\$ 56	\$ 56
ASUHS Out-of-County Off-Campus	N/A	\$ 62	\$ 62

In addition to existing tuition increases for Beebe and Heber Springs, ASU-Beebe requests the establishment of tuition rates for ASU-Searcy as follows:

	Regular <u>Term</u>	Summer <u>Term</u>
<u>Per hour:</u>		
Credit Instruction per hour	\$ 45	\$ 45
Night-time Nursing per hour	\$ 80	\$ 80

**ARKANSAS STATE UNIVERSITY-MOUNTAIN HOME:**

Arkansas State University-Mountain Home requires an increase of approximately 7.1% in tuition for the 2003-2004 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	\$ 672	\$ 720	7.1%
Non-Resident Undergraduate	\$ 1,140	\$ 1,224	7.4%

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Contact: Dr. Les Wyatt 972-

**ARKANSAS STATE UNIVERSITY-TECHNICAL CENTER:**

Arkansas State University-Technical Center (ASUTC) requests authority to increase technical program course tuition beginning in the Fall 2003 semester from \$40 per credit hour to \$50 per credit hour. This increase is needed to supplement loss of general revenue from state appropriations for the continuation of services and programs currently being offered.

	<u>Current</u>	<u>Proposed</u>	<u>% Change</u>
Technical Program Tuition per hour	\$ 40	\$ 50	25%

RECOMMENDATION/RESOLUTION:

Be it resolved that Arkansas State University-Jonesboro be authorized to increase tuition an average of 5% to be effective Fall 2003; Arkansas State University-Beebe and Arkansas State University-Newport be authorized to increase tuition an average of 7.1% effective Fall 2003; Arkansas State University-Mountain Home be authorized to increase tuition an average 7.1% effective July 1, 2003; and Arkansas State University-Technical Center be authorized to increase technical program tuition from \$40 per credit hour to \$50 per credit hour effective Fall 2003.

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Florine Tousant Bingham, Secretary  
Chair

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John Paul Hammerschmidt,

**EXECUTIVE SUMMARY**  
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**CONTACT: DR. LES WYATT**

**ACTION ITEM:** Arkansas State University (ASU) requests approval of the fiscal year 2003-2004 operating budgets and authority to execute the budget during the next fiscal year.

**ISSUE:**

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

**ARKANSAS STATE UNIVERSITY - BEEBE**

**BACKGROUND:**

The ASU-Beebe Planning Committee has compiled the operating budget for the 2004 Fiscal Year. It has been reviewed by the Chancellor and now is being submitted to the President and the Board of Trustees. The budget provides funds for campuses in Beebe, Heber Springs, Searcy and the Little Rock Air Force Base.

In past years, the university 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. Because the university had experienced a substantial reduction in the state appropriated funds, the committee had to use a new approach. We first looked at fixed costs that required additional funding. These were primarily in the area of fringe benefits where group insurance, teacher retirement and unemployment insurance increased. Institutional scholarships required additional funds because of the increased awards related to enrollment growth and the cost of those awards carrying forward to next year. The committee provided additional funds needed for those areas by proposing a tuition increase and reallocating funds from part-time faculty, part-time labor and departmental supplies and services.

A challenge for the committee this year was to compile a budget for the newly merged ASU-Searcy campus, previously a technical institute known as Foothills Technical Institute. The staffs of both campuses worked diligently to complete the task of adapting their budget to the higher education format and fitting it into the university budget.

Concepts used in the 2003-2004 budget were:

- Provide additional revenue by increasing tuition by \$4 per credit hour;
- Hold salaries at the current level;
- Provide funds for technology by increasing a mandatory fee by \$3;
- Reallocate funds from existing budgets to fixed cost areas;
- Provide increased funding to group insurance, teacher retirement, unemployment insurance and scholarships;
- Implement restrictions on travel for the new year;
- Award no capital outlay funds except for those provided earmarked sources, and
- Adjust ASU-Searcy positions and salaries to be in line with those used at the Beebe campus.

The Arkansas State University –Beebe budget is \$17,824,987 for Educational and General operations and \$2,041,100 for Auxiliary operations.

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#### EXECUTIVE SUMMARY

Contact: Dr. Les Wyatt 972-

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#### ARKANSAS STATE UNIVERSITY - NEWPORT

##### BACKGROUND:

Arkansas State University-Newport 2003-2004 budget was evolved through a shared governance participatory process involving vice chancellors, departments and divisions. The process included prioritizing needs and resources necessary to add additional stand alone positions while insuring quality instruction, improving facilities and meeting the needs of the institution's constituents.

Budget premises and priorities are as follows:

- The estimated income for the 2003-2004 fiscal year is \$4,925,458. The projected increase will be generated by an increase in cost of tuition (from \$56 per credit hour to \$60 per credit hour) and revenue generated through a one-half cent sales tax collected by Jackson County for the operations and maintenance of ASU-Newport;
- Personnel additions were made to meet stand-alone requirements. The budget reflects the employment of a Business Manager, Director of Computer Services, Personnel Assistant II, Purchasing Agent, and a Skilled Trades Worker;
- Technological services are being expanded through the purchase of technical support for the main frame computer necessary for stand-alone institutional academic and administrative computing, and;
- Campus facilities will be improved through the building of the new student center, thus increasing enrollment and campus revenue.

The Arkansas State University – Newport proposed budget is \$4,688,426 for Educational and General Operations and \$237,032 for Auxiliary operations.

#### ARKANSAS STATE UNIVERSITY - JONESBORO

##### BACKGROUND:

Arkansas State University-Jonesboro established a planning guide for the development of the fiscal year 2003-2004 budget and began its work in December 2003. The President initiated the process with a letter to

the committee members. Included in this letter were background data compiled by the Office of Finance and Administration on fiscal trends, priorities for previous fiscal year budgets, policies concerning budgeted issues, and enrollment trends.

With the uncertainty of state appropriated funds, an alternate process was developed for the development of the fiscal year 2004 operating budget. The budget process continued to utilize the University Planning Committee (UPC), which has been in use for several years. The UPC discussed financial data in the context of tuition, salaries, supplies and expense funds, and investments in student and campus needs. The committee membership consisted of faculty, staff, administrative, and student representatives, and was chaired by the President.

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Contact: Dr. Les Wyatt 972-

Resource needs were developed by the President and each Vice President/Chancellor for their respective areas. Reductions in priorities were necessary to make the budget match the projected revenues.

Priority areas for Arkansas State University-Jonesboro were:

- Provide funds for continued support of academic programs;
- Provide funds to support the continuing research efforts of the university;
- Provide funds to accommodate inflationary costs to operate the university, e.g., group health insurance and teachers retirement;
- Provide funds for faculty promotions;
- Provide funds for increased costs for scholarships, and;
- Provide funds to support the continuing diversity initiatives of the university.

The budget includes an overall average tuition increase of 5% to generate additional tuition revenue to support the continuing budgeting needs of the university.

The Arkansas State University - Jonesboro budget is \$ 99,726,548 for Educational & General operations and \$18,725,755 for Auxiliary Operations. This budgeted figure includes \$3,385,579 in funds for the Arkansas State University-Technical Center.

**ARKANSAS STATE UNIVERSITY - MOUNTAIN HOME**

**BACKGROUND:**

The 2003-2004 budget structure is based upon the effort to meet the needs of the continuing growth of student enrollment. The budget planning process does not include an increase in the number of staff. One new program is 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. However, employee salary increases are not included in the 2003-2004 budget.

Financial concepts are as follows:

- The estimated income for the 2003-2004 fiscal year is \$5,870,594. This figure represents a decrease of 1.3% from the 2003-2004 approved budget;
- Personnel: The budgeted expenditures reflect the employment of one additional faculty member, and one additional academic program;
- Salaries: Personnel salaries will remain the same as in the 2002-2003 budget;
- Instructional Supplies and Services: The expenditure budget for supplies will remain at the 2002-2003 level, and;
- Capital Outlay: Funds for equipment are not included in this budget. Essential equipment for the 2002-2003 fiscal year will be purchased from anticipated grants and transfers from supplies and services.

The Arkansas State University-Mountain Home budget is \$5,870,594 for Educational and General operations. Auxiliary Operations are only budgeted for income. There are no Auxiliary Operations expenses anticipated.

EXECUTIVE SUMMARY  
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Contact: Dr. Les Wyatt 972-

**ARKANSAS STATE UNIVERSITY -SYSTEM OFFICE**

BACKGROUND:

The System Office was established for fiscal year 2000-2001. The system office funding is now included in the Arkansas State University-Jonesboro base budget. The System Office continues to provide institutional support for all campuses.

The Arkansas State University - System Office budget is \$1,408,491 for Educational & General operations.

RECOMMENDATION/RESOLUTION:

Be it resolved that Arkansas State University be authorized to execute the fiscal year 2003-2004 budget in the amount of \$129,519,046 for Education and General Expenses, and \$21,003,887 for Auxiliary Operations as summarized in the institutional budget books.

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Florine Tousant Bingham, Secretary

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John Paul Hammerschmidt, Chair