

**Arkansas State University
Board of Trustees
December 10, 2004**

The Arkansas State University Board of Trustees met by conference call on Friday, December 10 at 8:30 a.m. in the conference room of the President's Office on the Jonesboro campus. Mr. Mike Medlock, Chair of the Board of Trustees, called the meeting to order at 8:32 a.m. A roll call revealed the presence of the following Board members: Ms. Florine T. Milligan, Vice Chair; Mr. Richard Bell, Secretary; Colonel Dallas Wood, Board member; and, Mr. Mike Gibson, Board member. Members of the ASU staff and the media also were present.

Mr. Medlock began by expressing sympathy to Ms. Barbara Coker upon the death of her husband, Joe Coker.

Mr. Medlock commented that the agenda is short and proceeded to the first item of business regarding the Resolution Authorizing ASU-Jonesboro to Sell Land in Poinsett County. Dr. Wyatt, President of the ASU System, commented that Board approval is required prior to selling land that is owned by Arkansas State University. The sale of real property in the university inventory will provide a more productive investment income than the farm rents, which are currently received from the property.

Upon motion by Mr. Bell, second by Colonel Wood, Resolution 04-39, was approved.

Ayes: Milligan, Bell, Wood, Gibson, and Medlock

Nays: None

Mr. Medlock next presented the Resolution Approving ASU-Jonesboro to Discontinue the Bachelor of Science in Community and Regional Economic Development. Dr. Wyatt commented that periodically the university reviews degree offerings to eliminate programs that are less productive, or begin to consolidate degrees into other categories. In this particular case, the university realizes the low enrollment in the program, and seeks board approval to discontinue the degree offering. As usual, the Arkansas Department of Higher Education will be notified of the action of the board.

Upon motion by Mr. Gibson, second by Mrs. Milligan, Resolution 04-40 was approved.

Ayes: Milligan, Bell, Wood, Gibson, and Medlock

Nays: None

The following resolution was presented by Mr. Medlock, Resolution Approving ASU-Technical Center to Offer a New Certificate Program in Practical Nursing. Dr. Wyatt commented that the College of Nursing and Health Professions has been successful in their course offerings, and that approval of this resolution would begin to provide relief in the nursing marketplace in northeast Arkansas.

Upon motion by Mr. Bell, second by Mr. Gibson, Resolution 04-41 was approved.

Ayes: Milligan, Bell, Wood, Gibson, and Medlock

Nays: None

Mr. Medlock then presented the remaining item, Resolution Authorizing ASU Beebe to Charge a Supply Fee for Welding Courses. Dr. Wyatt commented that this request is to assess a student fee to defray the cost of materials and equipment associated with the new welding courses at ASU-Beebe, ASU-Heber Springs, and ASU-Searcy beginning the spring semester 2005. Dr. Eugene McKay, Chancellor of ASU Beebe, commented that non-credit welding courses have been offered at the career center in Bald Knob, and ASU-Heber Springs desires to provide credit courses in welding. A credit certificate will eventually be provided to individuals successfully completing the course requirements. Colonel Wood inquired about the cost of the fee. Dr. McKay responded that the fee per welding course would be \$100, and that ASU-Beebe has a track record of responding to the needs of the community and local schools.

Upon motion by Mrs. Milligan, second by Colonel Wood, Resolution 04-42 was approved.

Ayes: Milligan, Bell, Wood, Gibson, and Medlock

Nays: None

Upon motion by Colonel Wood, second Mike Gibson, the Board adjourned at 8:57 a.m.

Richard Bell, Secretary

Mike Medlock, Chair

Executive Summary

Contact: Jennus Burton 972-3303

Action Item: ASU-Jonesboro requests approval to sell land in Poinsett County.

Issue: ASU-Jonesboro would like to sell by sealed bids, which must exceed the appraised value, the Poinsett County Farm land.

Background:

- ASU-Jonesboro owns a tract of land located in Poinsett County comprised of 536 acres. The property is currently leased to Mr. Jim Fletcher for farming purposes until December 31, 2006.
- ASU-Jonesboro receives 33 1/3% of the soybeans and milo crop income. The revenue received over the last 4 years is as follows:
 - FY 03-04 \$52,080
 - FY 02-03 42,691
 - FY 01-02 24,977; and
 - FY 00-01 25,382.
- An appraisal was completed September 2004 that valued the land and improvements at \$860,000. The average income over the last 4 years has been \$36,283, while the return on investment for FY 03-04 was 6.06%, the average return on investment over the four year period has been 4.22%.
- Land sales for Higher Education Institutions are governed by Act 22-6-601. The act requires that ASU-J do the following:
 - ASU-J must have the property appraised;
 - The Board of Trustees must adopt a proposal to sell the land;
 - The appraisal and the proposal to sell must be transmitted to the Director of the Arkansas Building Authority who will transmit the appraisal, ASU's proposal to sell, and the Authority's recommendation to the Governor;
 - Upon approval by the Governor, the Arkansas Building Authority will give notice in a Little Rock and local paper of the time and place for bidding;
 - Each bid must be accompanied by a cashier's check equal to one tenth of the amount of the bid;
 - The bids are opened and the purchaser chosen;

- Legislative Council reviews the sale before ASU-J can finalize it; and

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- Upon full payment, ASU-J executes and delivers the deed with a certified copy to the Governor. The deed must recite in detail that the sale was in compliance with all provisions of the statute.
- The land is currently classified as an auxiliary operation. Consequently, when the land is sold the proceeds will benefit the auxiliary fund. The proceeds will be invested at a higher return in the Foundation account and the return will continue to benefit the ASU-J auxiliary fund.
- The average rate of return from crop sales was 4.22%. This rate exceeds what is possible in 5-year jumbo CD at 3.73% (WSJ 15-Sep-04) and 5-year Government Bonds and Notes at 3.34%. Returns in ASU-J's investment portfolio; however, have exceeded this amount for the fiscal year ended June 30, 2004. The total net rate of return was 16.37%. Had the funds been invested in the university investment pool, ASU-J would have earned an additional \$104,490 in interest income. Although the investment pool is more speculative than T-Bills and farm crop sale income, the market seems to have stabilized for a time.
- On balance, we recommend that the property be sold and invested in the Foundation joint investment pool for the benefit of the ASU-J auxiliary fund.

Recommendation/Resolution:

Be it resolved that Arkansas State University-Jonesboro is authorized to sell at public auction 536 acres located in Poinsett County as described herein.

Richard Bell, Secretary

Mike Medlock, Chair

EXECUTIVE SUMMARY

Contact: Dr. Susan Allen (972-2030)

ACTION ITEM: Arkansas State University-Jonesboro (ASU-J) requests approval to discontinue offering the Bachelor of Science in Community and Regional Economic Development.

ISSUE: The Board of Trustees must grant approval to discontinue any program prior to notifying the Arkansas Higher Education Coordinating Board.

BACKGROUND:

Currently there are two students pursuing this degree. These students should graduate prior to 2006. The history of the program is not well defined. It was initially developed in support of the Delta Center for Economic Development. The target audience for this degree is very narrow. Oklahoma State University and the University of Southern Mississippi have nationally recognized graduate programs in this area. There are few undergraduate majors in this area of study. We lack the resources and expertise to adequately support the major. The major currently requires a number of courses across campus that are offered on a sporadic basis. We have had two graduates in the history of the major, with two students currently pursuing the major. Students will not be harmed by the dissolution of this program.

RECOMMENDATION/RESOLUTION:

Be it resolved that Arkansas State University-Jonesboro is approved to discontinue offering the Bachelor of Science in Community and Regional Economic Development.

Richard Bell, Secretary

Mike Medlock, Chair

EXECUTIVE SUMMARY

Contact: Dr. Susan Allen (972-2030)

ACTION ITEM: Arkansas State University Technical Center (ASUTC) requests approval to offer a new certificate program, Practical Nursing (LPN), to become effective August 2005.

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:

There is an undisputed shortage of trained nurses in the U.S. and in Arkansas. Locally, a review of the Memphis Commercial Appeal revealed 14 columns in the help wanted section devoted to health care positions. Within those columns, 18 entries were specifically recruiting Licensed Practical Nurses. Mid South Community College in West Memphis has teamed with ASU to offer the RN associate degree in an effort to fill the void that resulted with the closing of their Practical Nursing Program. Closing the program placed potential nursing students with a commute of almost forty miles to Forrest City, over ninety miles to Burdett or over sixty miles to Jonesboro for instruction. Offering a Practical Nursing program in Marked Tree to potential students in Poinsett, Crittenden, and Mississippi counties would dovetail with the RN program.

RECOMMENDATION/RESOLUTION:

Be it resolved that Arkansas State University Technical Center is approved to offer a new certificate program, Practical Nursing (LPN), to become effective August 2005.

Richard Bell, Secretary

Mike Medlock, Chair

EXECUTIVE SUMMARY

Contact: Dr. Eugene McKay 501-882-8300

ACTION ITEM: Arkansas State University-Beebe requests board approval to charge a supply fee of \$100 per course for the new welding courses that have been added to the curriculum and will be offered by ASU-Heber Springs and ASU-Searcy campuses of ASU-Beebe, beginning in the spring semester 2005.

ISSUE: Arkansas State University Board of Trustees must approve all student fee changes.

BACKGROUND:

- The university will begin teaching credit welding courses beginning January 2005.
- A \$100 supply fee per course is essential to help defray the expenses of metals and other supplies required to teach a welding course.
- The university expects to have a minimum of 30 students enrolled in welding courses beginning with the spring semester 2005.

RECOMMENDATION/RESOLUTION:

Be it resolved that Arkansas State University-Beebe is authorized to charge a supply fee for welding courses at a rate of \$100 per course beginning with the spring semester 2005.

Richard Bell, Secretary

Mike Medlock, Chair