

AGENDA
ARKANSAS STATE UNIVERSITY
BOARD OF TRUSTEES

June 1, 2016

4:00 p.m.

White River Room – Reng Student Union – ASU-Jonesboro

I. Call to Order

Howard Slinkard, Chair

***II. Agenda**

- **Proposed ASU System Resolutions**
 - **Resolution approving ASU-Jonesboro, ASU-Beebe, ASU Mid-South, ASU-Mountain Home, and ASU-Newport to set tuition and fee rates**
 - **Resolution approving fiscal year 2016-2017 operating budgets and the authority to execute the budgets**
 - **Resolution approving the fiscal year 2016-17 capital project and expense budget and authority to execute the budget**

III. Executive Session

***IV. Approval of Personnel Actions**

V. Other Business

***VI. Adjournment**

***Action Items**

Arkansas State University
Board of Trustees
June 1, 2016

The Arkansas State University Board of Trustees met on Wednesday, June 1, 2016, on the ASU-Jonesboro campus. Howard Slinkard, Chair of the Board of Trustees, called the meeting to order at 4:00 p.m. Board members present were the following: Howard Slinkard, Ron Rhodes, Tim Langford, Niel Crowson, and Stacy Crawford.

ASU System Resolutions:

- Resolution 16-39 approving ASU-Jonesboro, ASU-Beebe, ASU Mid-South, ASU-Mountain Home, and ASU-Newport to set tuition and fee rates
- Resolution 16-40 approving fiscal year 2016-2017 operating budgets and the authority to execute the budgets
- Resolution 16-41 approving the fiscal year 2016-2017 capital project and expense budget and authority to execute the budget

Dr. Welch: Let me first thank each of the Trustees for your patience in delaying this meeting. We were not expecting any additional revenue from the state this year, but we were unsure of what our revenue picture might look like, and whether it might actually be less. There were some very difficult decisions that had to be made on a statewide level, and until that Revenue Stabilization Act passed, we didn't know. You probably have seen me quoted as saying, "No new money from the state", and "It's been six years essentially since higher education has had new money." I also always follow that up by saying that we could be like many of our sister states that have seen massive cuts, and so, it's a statement of fact; it's not a criticism. We know that, if not for the support of the governor and our policymakers, it could be a much bleaker picture like many of our colleagues are experiencing. Nevertheless, it was the case again this year that we have flat funding for all of our campuses. When we began the budgeting process, we communicated to our campuses that we wanted to see recommendations that were as efficient and conservative as possible. We asked them to try to stay in

line with our inflationary factor and the higher education price index, which this year is 2.1%. You will see from the proposals that the recommendations that I'm making to the Board are 1.8%, 1.8%, 1.8%, 1.9%, and 2.4%, respectively. So, I really want to applaud our campuses and our finance folks, who do a lot of the heavy lifting in preparing these budgets and trying to make them work. I think they did an exemplary job. Our two-year campuses have among the lowest increases of any in the state. The Jonesboro campus does have the lowest tuition and fee increase. And, by the way, when we talk percentages, we are talking tuition and mandatory fees. It's a collective amount, not just one or the other. Jonesboro not only has the lowest increase in the state; this campus now ranks fifth among Arkansas's ten public universities in total cost. The fact that this campus continues to have all the successes that it does, while at the same time having a cost that is in the middle of the pack, I think is something that should be celebrated.

When we asked our campuses for priorities, they talked to us about the things they wanted to do. Safety was a priority for some of our campuses, and they were trying to put in some new instructional equipment and things of that nature. Jonesboro really wanted to try to increase some faculty and staff salaries if at all possible. Knowing that we weren't able to do that last year, we wanted to try to do that while considering a very low request. All the campuses wanted to begin to strategically focus on deferred maintenance. We have some very serious maintenance needs in higher education in the state of Arkansas. The Department of Higher Education does a facilities audit report every two years, and that just came out. System-wide, our deferred maintenance needs are almost \$482 million, and critical maintenance needs are almost \$29 million. Nearly \$28 million of that is for ASU-Jonesboro. So the Jonesboro campus made the decision to ask the Board to approve a \$3 per-credit-hour deferred maintenance fee, which would be used for some long-term planning, so that we don't get caught in 5, 10, 15 years with an even greater crisis. Fees are often the most criticized form of our tuition and fee structure. The reason that we do fees is two-fold. One is that it's a transparency measure. It lets everybody know exactly how those dollars are going to be spent. Whereas, with tuition, it can be a little bit more difficult to ascertain. Second, it restricts those funds, so that in two or three years from now, our campuses can't say they'd rather spend it on this, that, or the other. When approved, it sends the message that it was a strategic priority of this Board.

We all realize the burden our students face and that their families face. And we realize that every time we make this decision, it makes it that much more difficult. That being said, when 76% of our system-wide budget is in personnel and student scholarships, we have to be looking at these types of decisions on an annual basis in the absence of any other revenue. The fact that we know the challenges our state faces and the fact that we know that we don't want to raise tuition are exactly why we are constantly seeking alternative revenue streams from other types of projects, one of which we will celebrate tomorrow – the rededication of Wilson Hall, home of the NYIT College of Osteopathic Medicine.

I think that if you look at what is being proposed today, and at what is being proposed among our peer institutions around the state and around the country, it is evident that our campuses have worked very, very hard to come forward with proposals that are efficient and conservative. Keep in mind that we've got to maintain a high-quality education, high-quality faculty and staff, but at the same time, not put any more burden on our students and their families than is absolutely necessary.

With that, I present to you these three agenda items. First is actual tuition and fees; the second is the actual budget; and the third is something new for us this year, a capital budget, to show how our campuses will be budgeting from a capital standpoint. This was something that we've wanted to do for a variety of reasons. One is to be very transparent in exactly what we are doing and why. Too often, I think, we are criticized for capital spending when really it is not as big a percentage of our budget as perhaps many might believe. So we present to you a capital budget, which also includes deferred maintenance budgeting. It's laid out for transparency's sake. Those are the three budget items I would put forward, Mr. Chairman

Mr. Crowson: Mr. Chairman, I would like to make a few comments. This is the second opportunity that I've had as a member of the Board of Trustees to review and consider budget proposals for this University system. The first thing I want to do is commend all of the campuses on presenting budgets, which I believe to be as conservative and efficient as possible at this stage of development. I'm also very proud that the Jonesboro campus is enrolling the most academically talented classes in this University's history and routinely breaking retention and graduation records, while at the same time, ranking fifth in terms of cost to attend among all of Arkansas's public universities. I also commend the Jonesboro campus for making faculty and staff salary increases a priority in their budget. It is a difficult

challenge. I would like to challenge each of our campuses to do a few things. Make employee compensation a top priority moving forward to not only recruit but retain the strongest, best-qualified faculty and staff we can in order to ensure that our students are learning from the very best. Look for improvement within our personnel structure. I do believe it is appropriate for our campuses and this Board to be able to clearly understand and justify the staffing structure that we have in place.

I would ask that Dr. Welch work with our campuses over the coming months to develop a staffing study on each campus. This review could be coupled with program productivity assessments to determine those that are underperforming or no longer viable. In the business world, we refer to them as key performance indicators, KPI. I think we can develop those kinds of metrics to measure our campuses and this University. At the conclusion of this study, I hope our campuses will identify areas where we could become more efficient. Any dollar saved could be used to strengthen our existing employee pool without having to solely rely on future tuition increases. Let me make sure that you understand that I believe our faculty and staff are the backbone of this System, and the campuses can only be as successful as our staff allows. I'm supportive of doing everything we can to support and reward our employees, but I also want to ensure that we are being as efficient as possible. I believe that strategically streamlining our personnel structures is an excellent area in which to place our focus. We continue to be faced with limited funds, but we do not want to compromise the quality of the education for our students. All of us who sit on the Board of Trustees are graduates of this University, and this University has allowed me to lead a life that I never could have envisioned. I want to make sure that we preserve this for future students. Thank you, Mr. Chairman.

Mr. Rhodes: I, too, applaud the campuses for their diligence. I want to personally thank all of you on the Board, because I appreciate your expertise in sharing with me your knowledge as we pore through these budgets. Thank all you, very much.

Mr. Slinkard: This is my tenth year on this Board, and we've worked hard and spent a lot of time discussing some systematic way of performing our duties. In my time on the Board, we've made a lot of progress. We're not there yet, but we're getting close. I want to say that a lot of work goes into these budgets, and I appreciate what the chancellors and their staffs do. It's not going to get easier; it's going to get harder, particularly for the two-year schools. A good number of these two-year campuses have no

raises included in this budget. Jonesboro is in a little bit better position going forward, because there is at least some light at the end of the tunnel with some revenue outside the normal streams of state government and tuition. I, for one, want to applaud all the campuses. State law requires new facilities to have a deferred maintenance fund established. There is a formula by state law that does that. I don't know of any new facility that came online this year that required any money to be put into that deferred maintenance account. However, every one of the campuses has allocated money for the deferred maintenance. It will go into an account, and if it is not used for maintenance, it's going to build up. It's not an austere budget, but it's certainly a tight budget and we appreciate that effort.

Upon a motion by Dr. Langford, and seconded by Mr. Rhodes, Resolutions 16-39 through 16-41 were approved.

Ayes: Slinkard, Rhodes, Langford, Crowson, Crawford

Nays: None

Executive Session:

Upon a motion by Mr. Rhodes, seconded by Mr. Crowson, the Board voted to retire into executive session at 4:19 p.m.

Ayes: Slinkard, Rhodes, Langford, Crowson, Crawford

Nays: None

Mr. Slinkard announced, "This body has voted to retire into executive session to consider the personnel action items. We will reconvene in public session following this executive session to present and vote on any action arrived at in private."

The board reconvened at 4:32 p.m.

Personnel Actions:

Upon a motion by Dr. Langford, seconded by Ms. Crawford, the ASU System contract revisions were approved.

Ayes: Slinkard, Rhodes, Langford, Crowson, Crawford

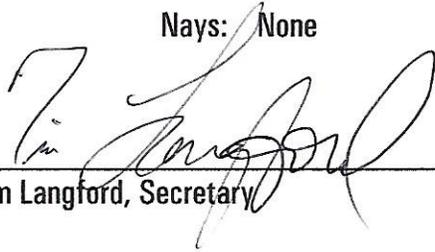
Nays: None

Adjournment:

Upon a motion by Mr. Rhodes, seconded by Mr. Crowson, the meeting adjourned at 4:33 p.m.

Ayes: Slinkard, Rhodes, Langford, Crowson, Crawford

Nays: None



Tim Langford, Secretary



Howard L. Slinkard, Chair

EXECUTIVE SUMMARY

Contact: Jeff Hankins (501) 660-1004

ACTION ITEM: Arkansas State University-Jonesboro, Arkansas State University-Beebe, Arkansas State University Mid-South, Arkansas State University-Mountain Home, and Arkansas State University-Newport request approval to set tuition and fee rates.

ISSUE: The Board of Trustees must approve tuition and fee rates.

BACKGROUND:

In order to meet the additional costs needed to fulfill its mission, Arkansas State University System campuses request approval to adjust tuition and fees.

ARKANSAS STATE UNIVERSITY-JONESBORO

Tuition (effective fall semester of 2016 unless noted)

	<u>Current</u>		<u>Proposed</u>	
	Semester (15 ssch)	per ssch	Semester (15 ssch)	per ssch
In-state Undergraduate	\$3,000.00	\$200.00	\$3,060.00	\$202.00
In-state Graduate	3,810.00	254.00	3,885.00	257.00
Out-of-state Undergraduate	6,000.00	400.00	6,120.00	404.00
Out-of-state Graduate	7,620.00	508.00	7,770.00	514.00
International Undergraduate	6,000.00	400.00	6,120.00	404.00
International Graduate	7,620.00	508.00	7,770.00	514.00

	<u>Current</u>	<u>Proposed</u>
Online MBA (per ssch, effective summer II of 2016)	\$580.00	\$587.00

	<u>Current</u>	<u>Proposed</u>
<u>Doctoral Degree Programs (per scch):</u>		
Nursing Practice, Occupational Therapy, Physical Therapy, Environmental Sciences, Molecular Biology	\$254.00	\$271.00
Tuition differential for above programs	52.00	54.00
Heritage Studies	254.00	325.00

EXECUTIVE SUMMARY

Contact: Jeff Hankins (501) 660-1004

	<u>Current</u>	<u>Proposed</u>
<u>Off-campus Courses (per ssch, including distance-learning classes):</u>		
In-state Undergraduate	\$254.00	\$257.00
In-state Graduate	291.00	294.00
Out-of-state Undergraduate	508.00	514.00
Out-of-state Graduate	582.00	588.00
Academic Partnerships Courses (undergraduate)	200.00	202.00
Academic Partnerships Courses (graduate)	254.00	257.00
Academic Partnerships Courses (international)	508.00	514.00
Paragould - Greene County Resident (freshman and sophomore classes only)	120.00	120.00
Paragould - In-state Non-Greene County Resident	200.00	202.00
Paragould - Out-of-state Undergraduate	400.00	404.00

Mandatory Fee(s) Revisions (effective fall semester of 2016)

	<u>Current</u>	<u>Proposed</u>
Deferred Maintenance Fee	\$0.00	\$3.00

Miscellaneous Fee(s) Revisions (effective fall semester of 2016 unless noted)

	<u>Current</u>	<u>Proposed</u>
Graduation Fee–Bachelor (term graduating)	\$45.00	\$60.00
Graduation Fee–Master (term graduating)	65.00	85.00
Graduation Fee–Specialist (term graduating)	75.00	95.00
First Year Experience Course Fee - Making Connections Courses (per ssch)	0.00	10.00
International Application Fee	40.00	50.00
Identity Compliance Fee – online course student identity verification (per ssch)	0.00	15.00

Tuition & Fee Rates for New Programs: (effective fall semester of 2016)

Certificate of Proficiency in Basic EMT (non-credit, full program)	\$1,500.00
Paramedic Technical Certificate (non-credit, per semester)	1,500.00
Basic Emergency Medical Technician Lab Course Fee (EMS 1057)	75.00
Medical Emergencies I, Medical Emergencies II, Emergency Management Course Fee (EMSP 2244, 2314, 2424)	100.00

EXECUTIVE SUMMARY

Contact: Jeff Hankins (501) 660-1004

ARKANSAS STATE UNIVERSITY-BEEBE:

Tuition (effective fall semester of 2016)

Beebe, Heber Springs, Searcy, and the Little Rock Air Force Base:

	<u>Current</u>		<u>Proposed</u>	
	Semester	per	Semester	per
	<u>15 ssch</u>	<u>ssch</u>	<u>15 ssch</u>	<u>ssch</u>
Resident Undergraduate	\$1,440.00	\$ 96.00	\$1,470.00	\$ 98.00
Out-of-state Undergraduate	2,490.00	166.00	2,535.00	169.00
ASU-Heber Springs In-county Tuition	1,290.00	86.00	1,395.00	93.00
International Tuition	2,490.00	166.00	2,535.00	169.00

Off-campus Courses (per ssch)

	<u>Current</u>	<u>Proposed</u>
ASU-Beebe	\$101.00	\$103.00
Little Rock Air Force Base	96.00	98.00
Board Plan 15 Meal to 17 Meal (effective fall of 2016)	\$921.00	\$990.00

ARKANSAS STATE UNIVERSITY MID-SOUTH:

Tuition (effective July 1, 2016)

	<u>Current</u>		<u>Proposed</u>	
	Semester	per	Semester	per
	<u>15 ssch</u>	<u>ssch</u>	<u>15 ssch</u>	<u>ssch</u>
In-district	\$1,350.00	\$90.00	\$1,350.00	\$ 90.00
Out-of-district	1,650.00	110.00	1,650.00	110.00
Out-of-state surrounding counties in MS & TN	1,650.00	110.00	1,650.00	110.00
Out-of-state	2,250.00	150.00	2,250.00	150.00
International Students	4,500.00	300.00	4,500.00	300.00

Mandatory Fee(s) Revisions (effective fall semester of 2016)

	<u>Current</u>	<u>Proposed</u>
Campus Safety Fee (per ssch)	\$2.00	\$5.00

EXECUTIVE SUMMARY

Contact: Jeff Hankins (501) 660-1004

Miscellaneous Fee(s) Revisions (effective July 1, 2016)

	<u>Current</u>	<u>Proposed</u>
Advanced EMT (per course)	\$85.00	\$ 50.00
Principles of Food Prep (per course)	75.00	130.00
Medical Assistance Medical Procedures (per course)	125.00	150.00
Principle/Practice of Phlebotomy (per course)	81.00	90.00
Mechanical Ventilation (per course)	200.00	375.00
Nursing Assistant (per course)	85.00	130.00
Placement Testing Fee	10.00	15.00

ARKANSAS STATE UNIVERSITY-MOUNTAIN HOME:

Tuition (effective July 1, 2016)

	<u>Current</u>		<u>Proposed</u>	
	Semester <u>15 ssch</u>	per <u>ssch</u>	Semester <u>15 ssch</u>	per <u>ssch</u>
In-state Undergraduate	\$1,380.00	\$ 92.00	\$1,410.00	\$ 94.00
Out-of-state Undergraduate	2,370.00	158.00	2,400.00	160.00

Miscellaneous Fee(s) Revisions (effective July 1, 2016)

	<u>Current</u>	<u>Proposed</u>
Practical Nurse NCLEX Testing Fee (per semester)	\$50.00	\$100.00
Paramedic Lab Fee	-	25.00
Paramedic FIDAP	80.00	215.00
Paramedic State/National Licensure Fee	-	150.00
Paramedic Background Fee	-	45.00
ACLS-Advanced Cardiac Life Support	-	100.00
PALS Pediatric Advanced Life Support	-	100.00
PHTLS Pre-hospital Trauma Life Support	-	100.00
AMLS Advanced Medical Life Support	-	100.00
LPN Lab Fee	-	25.00

EXECUTIVE SUMMARY

Contact: Jeff Hankins (501) 660-1004

ARKANSAS STATE UNIVERSITY-NEWPORT:

Tuition (effective fall semester of 2016)

	<u>Current</u>		<u>Proposed</u>	
	Semester <u>15 ssch</u>	per <u>ssch</u>	Semester <u>15 ssch</u>	per <u>ssch</u>
Resident Undergraduate	\$1,365.00	\$ 91.00	\$1,395.00	\$ 93.00
Out-of-state Undergraduate	2,235.00	149.00	2,280.00	152.00

Miscellaneous Fee(s) Revisions (effective fall semester of 2016)

	<u>Current</u>	<u>Proposed</u>
Welding Course Fee (per course)	-	\$150.00
HVLT Program Fee (per semester)	-	400.00
Culinary Program Course Fee (per course)	-	100.00
Automotive Service Program Fee (per semester)	-	100.00
Commercial Driver Training Fee (per semester)	1,450.00	1,550.00

RECOMMENDATION/RESOLUTION:

Be it resolved that tuition and fee rates for Arkansas State University-Jonesboro, Arkansas State University-Beebe, Arkansas State University Mid-South, Arkansas State University-Mountain Home, and Arkansas State University-Newport are approved as stated herein.


 Tim Langford, Secretary


 Howard L. Slinkard, Chair

EXECUTIVE SUMMARY

Contact: Jeff Hankins (501) 660-1004

ACTION ITEM: The Arkansas State University System (ASU System) requests approval of the fiscal year 2016-2017 operating budgets and the authority to execute the budgets during the fiscal year.

ISSUE: Each fiscal year, the Board of Trustees must approve the operating budgets of the ASU System.

BACKGROUND:

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-JONESBORO:

The Arkansas State University-Jonesboro (ASUJ) 2016-2017 operating budget was developed through the efforts of the University's Executive Council, and shared with the University Planning Council (UPC) and the campus community. State appropriation funds will remain flat for ASUJ in FY2017. Additional tuition revenues and reallocated resources were allocated to provide quality instruction and an enhanced overall educational experience for students.

FY2017 state general revenue and Educational Excellence Trust Fund resources are anticipated to be flat. To continue to provide the educational experience expected by today's student population, a \$2 per credit hour tuition increase is requested, as well as a \$3 per credit hour deferred maintenance fee. The total requested increase of tuition and fees equals 1.9%.

Funds were allocated to the following categories:

- Faculty promotions;
- Continued support of institutional and performance scholarships;
- Software to enhance recruitment efforts;
- Minimum wage increase;
- 1.25% faculty merit raise; and
- 1.0% non-classified staff merit raise.

The Arkansas State University-Jonesboro budget for fiscal year 2016-2017 is \$162,197,130 for Educational and General Operations and \$39,063,294 for Auxiliary Operations.

EXECUTIVE SUMMARY

Contact: Jeff Hankins (501) 660-1004

ARKANSAS STATE UNIVERSITY-BEEBE:

The 2016-2017 operating budget for Arkansas State University-Beebe (ASUB) was prepared by the ASUB Planning Committee. The Planning Committee includes faculty, staff, and administration representatives. Operating funds are provided for all campuses of ASUB.

A \$2 per credit hour tuition increase will provide revenue to offset a revenue loss from enrollment decline. A \$5 per credit hour reduction to the in-county rate discount is proposed for the Heber Springs budget to offset sizable reductions in county sales tax collections. ASUB, as well as all institutions of higher education, will not receive an increase in general revenue funding. Reductions in full-time and part-time salaries, along with reductions in supplies and services, allowed the University to balance the budget for 2016-17. The total requested increase of tuition and fees for the Beebe, Searcy and LRAFB campuses equals 1.8%.

Funds were allocated to the following categories:

- Faculty promotions;
- An additional faculty position in Agricultural Equipment Technology;
- A campus police position for the Searcy campus; and
- Continued support for institutional technology.

The Arkansas State University-Beebe budget for fiscal year 2016-2017 is \$26,680,627 for Educational and General Operations and \$2,793,600 for Auxiliary Operations.

ARKANSAS STATE UNIVERSITY MID-SOUTH:

The Arkansas State University Mid-South (ASU Mid-South) Chancellor's Executive Council, in close collaboration with departmental budget managers, developed the Educational and General Operating budget for fiscal year 2016-2017.

ASU Mid-South is committed to economic development in the Arkansas Delta through the provision of high quality, affordable, and convenient learning opportunities and services consistent with identified student, community, and regional needs. To ensure that those programs and services are provided in the safest, most secure environment, ASU Mid-South is raising the Campus Safety fee \$3 per credit hour. Revenue generated from this request will help offset the cost of campus safety personnel on the North and South campuses, as well as the new FedEx Aviation Technology Center. No increase in tuition is requested. The total requested increase of tuition and fees equals 2.4%.

EXECUTIVE SUMMARY

Contact: Jeff Hankins (501) 660-10004

With no growth in state funding and the expiration of a U.S. Department of Labor grant, the institution had to make significant budget adjustments for FY2017. This was accomplished through cuts in personnel, both through attrition and reduction of unfilled budgeted positions; reduction of part-time labor, travel, and scholarship budgets; and growth in the ASU Mid-South Technical Center enrollment.

The Arkansas State University Mid-South budget for fiscal year 2016-2017 is \$13,440,892 for Educational and General Operations and \$218,000 for Auxiliary Operations.

ARKANSAS STATE UNIVERSITY-MOUNTAIN HOME:

The Arkansas State University-Mountain Home (ASUMH) Chancellor's Cabinet, in coordination with the ASUMH cross-departmental Budget Committee, developed the 2016-17 Educational and General Operating Budget with a focus on strategically meeting the needs of the ASUMH student population. The budget process allowed for presentation of current/emerging needs, identification of program growth opportunities, recognition of continued efficiencies, prioritization of funding requests, and alignment with the ASUMH strategic plan.

ASUMH is committed to providing affordable learning opportunities to meet the needs of the service community by providing quality instruction, relevant academic programs, and support services for students, business, and industry. With state appropriation funds remaining flat for fiscal year 2016-17, a \$2 per credit hour tuition increase, combined with reallocation/reduction of existing budgets, is requested in order to continue providing exceptional educational experiences. ASUMH has reduced budgeted expenditures in supplies and adjunct/overload through efficient course/facilities scheduling and has budgeted in a manner to account for possible enrollment decreases. The total requested increase of tuition and fees equals 1.8%.

The Arkansas State University – Mountain Home budget for fiscal year 2016-2017 is \$10,516,238 for Educational and General Operations and \$215,000 for Auxiliary Operations.

ARKANSAS STATE UNIVERSITY-NEWPORT:

ASU-Newport (ASUN) conducted a collaborative budgeting process that allowed broad-based inclusion and communication for 2016-2017. Under the college's shared leadership model, a cross-departmental budget-planning team was appointed by the Chancellor to assist administration in prioritization of budget requests. This allowed a level of critical evaluation to refine needs and encourage efficiency. With no growth in state funding and with the increasing needs of our growing student population, the institution was able to allocate resources to fund initiatives that align closely with the strategic plan.

EXECUTIVE SUMMARY

Contact: Jeff Hankins (501) 660-1004

A requested \$2 per credit hour tuition increase would provide the additional funding required for increased fixed costs. The total requested increase of tuition and fees equals 1.8%.

Funds were allocated to the following categories:

- Instructional budgets of high-growth academic programs, including a new Criminology instructor at Marked Tree;
- An additional key position in Information Technology Services to leverage new technologies to provide better services to students;
- A dedicated funding stream of \$150,000 for the deferred maintenance needs of the three campuses;
- Instructional equipment and capital needs, including equipment for technical programs, and replacing and adding other instructional equipment and technology; and
- A 2% cost-of-living increase for faculty and non-classified personnel.

The Arkansas State University-Newport fiscal year 2016-2017 budget is \$15,343,359 for Educational and General Operations and \$325,000 for Auxiliary Operations.

ARKANSAS STATE UNIVERSITY SYSTEM:

The Arkansas State University System is funded as a non-formula entity with a fiscal year 2016-2017 operating budget of \$3,200,503 of which \$2,508,285 is categorized as a state appropriation, and \$692,218 is from other sources including campus and foundation support.

RECOMMENDATION/RESOLUTION:

Be it resolved that Arkansas State University fiscal year 2016-2017 operating budgets are approved and authority is granted to execute the budgets in the amount of \$231,378,749 for Education and General Operations and \$42,614,894 for Auxiliary Operations.



Tim Langford, Secretary



Howard L. Slinkard, Chair

EXECUTIVE SUMMARY

Contact: Jeff Hankins (501) 660-1004

ACTION ITEM: The Arkansas State University System (ASU System) requests approval of the fiscal year 2016-17 capital project and expense budget and for the authority to execute the budget during the fiscal year.

ISSUE: Each fiscal year, the Board of Trustees must approve the capital project and expense budget of the ASU System.

BACKGROUND:

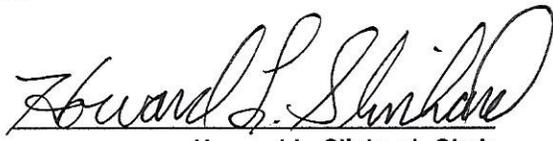
- As the Arkansas State University System has a significant investment in plant and capital, management is requesting to establish an annual capital expenditure budget to illustrate commitment to maintenance of its capital investment. Currently, the ASU System has a total of 2,137 land acres and 313 buildings, comprising 5.7 million square feet.
- The state of Arkansas provides no dedicated revenue stream for capital projects and deferred maintenance needs.
- The ASU System currently has \$481.5 million in total deferred maintenance needs and \$28.8 million in critical maintenance needs, according to the Facilities Audit Program conducted by the Arkansas Department of Higher Education.
- The proposed capital project and expense budget of the ASU System for fiscal year 2016-17 is attached.

RECOMMENDATION/RESOLUTION:

Be it resolved that the Arkansas State University System fiscal year 2016-17 capital project and expense budget is approved and authority is granted to execute the budget.



Tim Langford, Secretary



Howard L. Slinkard, Chair



Capital Project Plans for FY2017

Project Name	Project Type	Total Projected Cost	Total Funds Available	Current Status	Funding Source(s)
ASU-Jonesboro					
Projects:					
Energy Performance Contract	New	\$15,216,080	\$15,216,080	Construction Phase	Capital lease
Marion Berry-University Loop Extension	New	1,540,000	1,540,000	Design Phase	AHTD funds (56.8%), University Reserves (43.2%)
Convocation Center Fire Alarm/Fire Protection	New	943,250	943,250	Design Phase	University Reserves
IT Services Communications Room Fire Suppression	New	180,000	180,000	Design Phase	University Reserves
Project Total		\$17,879,330	\$17,879,330		
Major Equipment and IT-related purchases (over \$500K)					
Equipment Total		0	0		
Projects Under Review, Not Funded:					
Football Stadium Drainage System	Renovation	2,500,000	0		Not Yet Identified
Armory Roof Replacement	Renovation	200,000	0		
Project Under Review, Not Funded, Total		\$2,700,000	\$0		
Total		\$20,579,330	\$17,879,330		
ASU-Beebe					
ASU-Heber Springs Pavilion	New	\$200,000	\$200,000		Private Funds
Project Total		200,000	200,000		
Major Equipment and IT-related purchases (over \$500K)					
ERP Software for Student and Finance		1,200,000	1,200,000		Institutional Reserves
Equipment Total		1,200,000	1,200,000		
Projects Under Review, Not Funded:					
IT Services Data Center		2,508,500	0		Not Yet Identified
Project Under Review, Not Funded, Total		\$2,508,500	\$0		
Total		\$3,908,500	\$1,400,000		
ASU-Mountain Home					
Gotaas Hall Simulation Lab	Renovation	\$250,000	\$250,000		Private Funds
Integrity First-3rd Floor	Renovation	300,000	300,000		State Grant
Project Total		550,000	550,000		
Major Equipment and IT-related purchases (over \$500K)					
CampusNexus Finance/CampusNexus Student Software		575,000	575,000		University Reserve
Equipment Total		575,000	575,000		
Projects Under Review, Not Funded:					
Project Under Review, Not Funded, Total		\$0	\$0		Not Yet Identified
Total		\$1,125,000	\$1,125,000		
ASU Mid-South					
Welding Expansion, In progress	Renovation	\$698,750	\$698,750		Millage
Project Total		698,750	698,750		
Major Equipment and IT-related purchases (over \$500K)					
Equipment Total		0	0		
Projects Under Review, Not Funded:					
Renovate ADWIRE/GNC Building		\$750,000	\$0		Not Yet Identified
ERP Software		1,000,000			Not Yet Identified
Project Under Review, Not Funded, Total		\$1,750,000	\$0		
Total		\$2,448,750	\$698,750		

Capital Project Plans for FY2017

Project Name	Project Type	Total Projected Cost	Total Funds Available	Current Status	Funding Source(s)
ASU-Newport					
Wayfinding Signage (All)	Renovation	\$150,000	\$150,000		University Reserves
Walton Hall Flooring Replacement	Renovation	70,000	70,000		University Reserves
Project Total		220,000	220,000		
Major Equipment and IT-related purchases (over \$500K)					
Equipment Total		0	0		
Projects Under Review, Not Funded:					
Nursing & Allied Health Building (Newport)	New Construction	\$3,500,000	\$0		Bond Issuance
Rebuild Entry Signs (Newport)	Land Improvements	45,000	45,000		University Reserves
Landscape Development (Newport)	Land Improvements	250,000	250,000		University Reserves
Renovation Student Center (Jonesboro)	Renovation	425,000	425,000		University Reserves
Welding Expansion for Secondary Center (Newport)	Renovation	80,000	80,000		University Reserves
Project Under Review, Not Funded, Total		\$4,300,000	\$800,000		
Total		4,520,000	1,020,000		
Grand Total Excluding Projects Under Review					
Projects		\$ 19,548,080	\$ 19,548,080		
Equipment & IT		\$ 1,775,000	\$ 1,775,000		
Total		\$ 21,323,080	\$ 21,323,080		



2017 Deferred Maintenance Budget and Planned Maintenance Projects

Note: Facilities Condition Index is the percent of the useful life of campus facilities that has been expended. The higher the percentage would indicate the greater the expended portion of the campus.

ASU-Jonesboro				
2014 Facilities Condition Index:	44%	University Average:	54%	
Maintenance Needs:	\$371,488,756	Source: FAP 2016		
Critical Needs:	\$27,682,300			
FY2017 Deferred Maintenance Budget Set Aside:	\$ 2,500,000			
Planned Maintenance Projects				
Village Apartments Repairs and Modifications	Renovation	\$6,343,509	\$6,343,509	University Reserves
Aggie Road Resurface/New Curb and Shoulder	Renovation	850,000	850,000	University Reserves
Library Envelope Waterproofing and Roof Repair/Rep	Renovation	585,564	585,564	University Reserves
Track Resurface	Renovation	549,994	549,994	University Reserves
Collegiate Park Repairs	Renovation	520,521	520,521	Auxiliary budget
Fowler Center Envelope Waterproofing and Roof Rep	Renovation	300,000	300,000	University Reserves
Ed Leadership HVAC	Renovation	290,800	290,800	GIF (92.8%) , University Reserves
				(7.2%)
ABI Sterilization Replacement	Renovation	273,461	273,461	ABI Appropriation
Parking Deck Repairs	Renovation	243,617	243,617	Auxiliary budget
Student Union Boiler Replacement	Renovation	225,000	225,000	University Reserves
HPSS Roof	Renovation	222,310	222,310	University Reserves
E W Smith Hall Step Replacements	Renovation	220,000	220,000	University Reserves
Kays House Restoration	Renovation	200,000	200,000	ANCRC Grant
Aggie Circle	Renovation	180,000	180,000	Humanities bond funds
IT Services Server Room HVAC System Replacement	Renovation	170,000	170,000	University Reserves
Convocation Center Generator Replacements	Renovation	130,000	130,000	University Reserves
Math and Computer Science Roof Replacement	Renovation	127,818	127,818	GIF
Parking Lot and Roadway Maintenance	Renovation	100,000	100,000	Plant Funds
College of Nursing and Health Professions Cadaver Lab	Renovation	95,000	95,000	University Reserves
Math Exterior Envelope & Interior Renovations	Renovation	90,000	90,000	Deferred Maintenance Budget
ABI Exhaust Fans Replacement	Renovation	63,071	63,071	ABI Appropriation
Repair Red Wolf Blvd Right of Way Brick and Pipe Fen	Renovation	50,000	50,000	University Reserves
Athletic Buildings Key Re-Core	Renovation	50,000	50,000	Deferred Maintenance Budget
Leadership in Ed Building Carpet Replacement	Renovation	50,000	50,000	Deferred Maintenance Budget
Fowler Center Riceland Hall and Performance Theatre	Renovation	40,000	40,000	University Reserves
		\$11,970,665	\$11,970,665	
ASU-Beebe				
2014 Facilities Condition Index:	44%	Comm Coll Average:	32%	
Maintenance Needs:	\$57,734,005	Source: FAP 2016		
Critical Needs:	\$1,101,000			
FY2017 Deferred Maintenance Budget Set Aside:	\$170,000			
Planned Maintenance Projects				
Owen Center HVAC Replacement	Renovation	\$90,000	\$90,000	Plant Funds
Project Total		\$90,000	\$90,000	
ASU-Mountain Home				
2014 Facilities Condition Index:	21%	Comm Coll Average:	32%	
Maintenance Needs:	\$11,294,565	Source: FAP 2016		
Critical Needs:	\$0			

FY2017 Deferred Maintenance Budget Set Aside: \$80,000

Planned Maintenance Projects

Parking Lot and Roadway Maintenance	Renovation	\$50,000	\$50,000	Plant Funds
Boiler Retubing		30,000	30,000	Plant Funds
Project Total		\$80,000	\$80,000	

ASU Mid-South

2014 Facilities Condition Index: 31% **Comm Coll Average:** 32%
Maintenance Needs: \$23,381,003 Source: FAP 2016
Critical Needs: \$0

FY2017 Deferred Maintenance Budget Set Aside: \$130,000

Planned Maintenance Projects

Reynolds Ctr/University Ctr Roofs	Renovation	\$100,000	\$100,000	Plant Funds
Reset windows in Workforce Technical Center	Renovation	\$40,000	\$40,000	Plant Funds
Replace doors-west side Arkansas Workfoce Center		\$10,000	\$10,000	Plant Funds
Project Total		\$150,000	\$150,000	

ASU-Newport

2014 Facilities Condition Index: 25% **Comm Coll Average:** 32%
Maintenance Needs: \$17,557,241 Source: FAP 2016
Critical Needs: \$0

FY2017 Deferred Maintenance Budget Set Aside: \$150,000

Planned Maintenance Projects

Project Total		\$0	\$0	
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ASU-System

Maintenance Needs: \$481,455,570 Source: FAP 2016
Critical Needs: \$28,783,300

**ARKANSAS STATE UNIVERSITY SYSTEM
CONTRACT EXTENSIONS
June 1, 2016**

MASSEY, SANDRA

Chancellor, ASU-Newport

Effective: July 1, 2016 – June 30, 2019 (Three-year contract)

MYERS, ROBERT

Chancellor, ASU-Mountain-Home

Effective: July 1, 2016 – June 30, 2019 (Three-year contract)

WEST, DEBRA

Chancellor, ASU Mid-South

Effective: July 1, 2016 – June 30, 2019 (Three-year contract)