

Arkansas State University
Board of Trustees
June 4, 2020

The Arkansas State University Board of Trustees met by video conference on Thursday, June 4, 2020. Stacy Crawford, Chair of the Board, called the meeting to order at 10:00 a.m. Board members present were the following: Stacy Crawford and Niel Crowson (ASU-Jonesboro Chancellor's Office Conference Room) and Price Gardner, Christy Clark, and Tim Langford (ASU System Office Conference Room).

Price Gardner gave the invocation.

Minutes:

Upon a motion by Mr. Crowson, seconded by Mr. Gardner, the minutes of the March 6, 2020, Board Meeting were approved.

Ayes: Crawford, Gardner, Clark, Langford, Crowson

Nays: None

ASU System – Dr. Charles Welch, President

- Thank you to everybody who has joined this unique format. We felt that by using this virtual method, we would continue to be as safe as possible and utilize technology to have today's meeting. We are going to forgo chancellors' reports today, because of the difficulty of this type of medium in doing that, but each of the Trustees has been provided with a written copy of Chancellors' reports that will give them an update on what's happening on each campus.
- COVID-19 has consumed a considerable amount of our time over the last few months. We were able to move all of our classes online and make all of the necessary accommodations on campus that were needed. I was extremely impressed and thankful for the way that our personnel responded. I want to say thank you for what they did to ensure that we were able to continue to educate our students, and also I thank our students for their response to the viral outbreak in the spring. It wasn't an ideal situation, but it was something that needed to be done in the interest of everyone's health and safety. Work continues with COVID-19. Each of our campuses has a task force that is actively working to

address issues on the campus, both now and for the future. I want to thank the Chancellors and their teams for their leadership and really very detailed efforts that they have been working on as we looked toward the future. Certainly, the future includes the fall of 2020, which is when we plan to resume face-to-face instruction on all of our ASU System campuses. Clearly, Covid-19 testing and contact tracing will be two major pieces that need to be finalized prior to the beginning of the fall semester. I can tell you that we are working very closely with state officials, very closely with our colleagues at NYIT, and other health care officials, both at the local and state levels, to develop the exact protocols for testing, where that will occur, what that will look like, and how that will work. This morning we announced that seven student athletes across multiple sports had tested positive on the Jonesboro campus. They are beginning to come back for summer workouts, but before we would allow them to participate, we required testing. This was expected and it's inevitable that we are going to have positive tests. That's exactly why we do testing. Those individuals who test positive will be quarantined, will not be allowed to participate in any on-campus activities until the quarantine ends and they test negative. I assume that we will see more of that, but I think the good news is that we have the available tests, we have the protocols in place, and we expect to have that significantly expanded by the fall semester. I mentioned the task forces. They are working on a wide array of different issues that relate to our campus instructional settings and how we accommodate social distancing guidelines, the different multiple modes of instruction that we will likely be utilizing in the fall, whether that be fully online or a hybrid, or fully face-to-face, or different variations of the ways that we offer those courses. We are also developing a number of contingency plans on each campus, so that if we have to adjust, if the guidelines change, if there is a second wave, or if any types of unexpected occurrences happen, we will have backup plans that we can move on even more quickly than we did in the spring to make those adjustments. The governor asked me to be a part of his economic recovery task force, and we are meeting regularly. We actually have a higher education subcommittee that will meet again this afternoon, and we are talking about additional best practices guidelines and protocols that we will be able to share with campuses across the state, and that's ongoing, and we are doing it in a very scientific and disciplined manner. Finally, in my role as Chairman of the Board of the American Association of State Colleges and Universities, and in

Dr. Massey's role on the Board of Directors of the American Association of Community Colleges, we are having a considerable amount of interaction and engagement with our colleagues nationally, and sharing those best practices, as well. I feel very comfortable in saying that we are addressing COVID-19 in a very comprehensive manner. We are trying to learn from one another at both the state and national levels, and when we do bring students back to campus in the fall, we will have all of the appropriate protocols and plans in place as well as contingency plans, in case we need to adjust and adapt, depending on what the environment is at that particular time.

- There have been a lot of questions about enrollment and what that's going to look like moving forward, as it relates to COVID-19. It's really difficult to make a lot of year-to-year comparisons right now for fall, primarily because of the quarantine. Many of our campuses have had to delay or change their dates of registration, and students may not be processing their registrations in an ordinary manner, so we don't have those timelines at the moment. But we are looking at trends and some of the trends look good. If you look at the summer, Summer 1 has now begun on all of our campuses and our headcount enrollment across the System is 99% of what our headcount enrollment was one year ago, and more importantly, our student semester credit hours' total is actually 105% of what it was one year ago. We feel good about that.
- We are going to talk today about our FY2021 budgets, and I want to speak to that for just a few minutes. I would describe our budgets as very conservative and very cautious. If we do have a second wave of Covid-19 and if another round of budget cuts were to happen, we want to make sure that we are prepared in advance for that. To that end, we did not budget two categories of revenue stabilization this year, which is roughly a 10% reduction from the current year. We also budgeted 10% cuts to other general revenue funds, which are the Educational Excellence Trust Fund and Workforce 2000. Also we budgeted 5% enrollment cuts. Now, let me be very clear that the 5% less in enrollment is not based on an expectation of that necessarily, but rather is a conservative approach, simply because of what the instructional setting could look like. We just wanted to be as cautious and conservative as we possibly could. You will see no tuition and fee increases on any of our campuses for the coming year. That marks the second time in three years that ASU System campuses have not increased tuition rates. There has been a significant amount of discussion, among

some in the general public and some policymakers, that higher education is receiving so much federal money through the CARES Act, that really we are not experiencing any declines. I just want to make sure that we are very clear that that's not accurate. The money that was received from the CARES Act, one-half of that must be spent on direct aid to students. Obviously, that's a wonderful thing. We were able to make direct grants to students to assist them during this difficult time. The other half can be used for institutional purposes, but, currently, it's extremely restrictive. At this point, our campuses have not spent any of those funds as we await further clarity and guidelines from the federal government. But even if we were able to spend 100% of those institutional funds in any manner that we deemed appropriate, it still would leave a budget gap when you factor in the other cuts and revenue reductions that we've experienced as a result of COVID-19. So, our campuses are definitely faced with a difficult situation, but the situation we do face today is why we worked so hard to build healthy and financially stable institutions. This is exactly why our Board has been so proactive in ensuring that our campuses have an ample amount of reserve funds, that our campuses have built very strong budgets that are transparent and accurate, and that we have the appropriate funds necessary to endure any type of crisis. At the same time, each of our campuses has chosen to make difficult spending decisions rather than budgeting reserve funds. We know that, rather than just simply dipping into savings, it's more important to make adjustments to our current spending. Every one of our campuses did that, and I want to commend them and thank them for that. We were able to spare our faculty and staff from layoffs, from furloughs, from payroll reductions. We've kept tuition and fees steady, as we recognize the financial uncertainty that our students and their families are facing as well. Now I would be remiss if I didn't point out that these spending cuts are appropriate and they are necessary, but also they are not sustainable. We are going to put on hold the vast majority of capital projects unless it is something that's paid from an alternative revenue source or something of that nature. We have delayed a lot of our deferred maintenance programs and the set-aside funds that we have for that. We have frozen a lot of professional development and travel just simply because of the nature of what's happening in the world. We have hiring freezes, and while those are appropriate immediately, we do know that that's not something that we can or want to do forever. We will continue to monitor and adjust moving forward. As I said earlier, we've

also budgeted for lower enrollment just to be conservative, but at the same time, our campuses are working tirelessly to recruit more students, both traditional students and adults who want to pursue educational opportunities. When you see higher unemployment numbers and economic challenges like we have now, we typically see higher enrollments in higher education. Our campuses are focused on that. We know that those students, who get two- and four-year degrees, tend to fare much better in the job market. So, while it's a difficult time, I think it's easy to say that our campuses are working very hard. They've done incredible work to get us to this point, and I feel very comfortable and confident about the plans we have moving forward and what our future looks like during this pandemic.

ASU System Resolutions:

- Resolution 20-15 approving ASU-Jonesboro and ASU Mid-South to set tuition, fees, and room and board rates

Dr. Welch: The reason that we only have two campuses listed is because those are the only two campuses that had any changes to tuition and fees. The Jonesboro campus made a change to the Degree Center tuition and fees. I want to point out that overall it's a reduction in the cost for a student to attend any of our degree centers. We had varying degree center tuition and fee rates across the System, and we wanted to make sure that we have one degree center rate, so whether a student was attending a degree center at Beebe or at Mid-South or at Mountain Home or Three Rivers or wherever, they would be paying the exact same amount. But the final analysis is that it's actually a reduction in the total cost regardless of location for those students. Mid-South actually made reductions in a number of their course fees, and you will see that there are no increases. The increases in residence rates for the Jonesboro campus are extremely minimal and are directly reflective of expected increases in utilities and operations costs in those facilities. On board rates, again, there are very minimal increases on the block meal plans and actual decreases in the unlimited access plans, because of an expectation of fewer days in the semester in which the student would be able to utilize those. Again, there are no increases in tuition at any campus.

- Resolution 20-16 approving the fiscal year 2020-2021 operating budgets and the authority to execute these budgets

Dr. Welch: This resolution lays out what each campus was able to do to incur the savings necessary to cover the state budget cuts. You will remember that the state made cuts, both for the current fiscal year as well as for the next fiscal year, and those are certainly contemplated in here, as well as the additional conservative measures that we've asked the campuses to take to prepare for any future reductions or revisions.

- Resolution 20-17 approving the fiscal year 2020-2021 capital project and expense budget and authority to execute the budget

Dr. Welch: We do not anticipate much in the way of capital projects this year, unless it comes from a private or alternative revenue source, or unless it is an absolutely critical maintenance project.

- Resolution 20-18 approving the ASU System to establish provisional positions for all campuses for fiscal year 2020-2021

Dr. Welch: As a reminder, these are positions that are not funded with state revenue. They are typically grant-funded positions. It's a requirement that this Board approve the campuses establishing those provisional positions for the coming year.

- Resolution 20-19 approving the ASU System to borrow a sum of money sufficient to develop and implement the Enterprise Resource Program for all the campuses of the System

Dr. Welch: We have been discussing for some time our effort to move to a common ERP system for all of our campuses. The ERP is the software that manages all of the policies and processes and operations of our campuses, from student enrollment to student records to financial aid to business office operations. This has been an ongoing effort. It will ultimately result in every campus spending less on their annual ERP costs than they do currently for a product that isn't nearly as sophisticated as the product that we will have moving forward. Anytime you make this kind of change though, you do have those upfront implementation costs with a big part of that being the transition of all the data and records from one system to another. This would allow the System to secure private funding to assist with the implementation costs. It would be a short-term loan program, not to exceed 4%. We want to see what the market bears. We also may end up considering some sort of intrasystem loan process to make this

happen. But we just want to look at all of our different available options. There could potentially be the ability to use CARES Act funds that are specifically directed to technology to do this, as this really would be the backbone for all of our instructional modalities and things of that nature. So, this is really for those upfront costs for all of our campuses, as well as the Henderson State campus, seven institutions that will be utilizing the same system with the end result being annual costs that are actually less than what the institutions are paying right now. The collaborative approach lowers the cost for each of the campuses participating in this consortium.

- Resolution 20-20 approving the ASU System to revise the Internal Audit Charter

Dr. Welch: The charter had not been revised in a number of years. As we have grown as a System, some adjustments needed to be made and brought up to date.

- Resolution 20-21 approving candidates proposed to serve as members of the ASU-Beebe Board of Visitors, the ASU-Mountain Home Board of Visitors, and the ASU-Newport Board of Visitors

Dr. Welch: I have approved the recommendations from the chancellors, and I submit them now to you for your consideration.

Mr. Gardner: I would like to thank chancellors and our System leadership for their efforts this spring, and as part of the budgeting process. It's really been impressive to see how quickly and well each of our campuses has adapted and changed in an environment that was changing daily. I have about 200 people that I am responsible for, and I can only imagine the work and the amount of cooperation and collaboration that had to go into a System such as ours that has so many employees, so many different locations, and so many different components. I really commend you for those efforts. The evidence of the cooperation is just everywhere you turn and is confirmation of shared governance at its best. Our students did their part, so it's been a real team effort. I think we have learned that no amount of training or drills could have ever prepared us for what happened. In a matter of days, we went to a full transition from live instruction to remote instruction and really didn't miss a beat in delivering our product and taking care of our students and our people. At the same time from a budgeting standpoint, I'm very proud of the fact that we were able to protect our faculty and staff from any widespread furloughs or layoffs. I appreciate the efforts and dedication from everyone throughout this process. Moving to the budgeting

process, to me as a Trustee, this is always the hardest part of the year. It is never easy, from a cost standpoint, as so few of our costs are really truly variable; they are more fixed. None of our costs get really any cheaper every year, and I do think that, through Huron and through the System, and the ability to centralize services, we've done a good job with the Enterprise Resource Program, where, ultimately, we will reap benefits to come. You all did great in the face of decreased state revenues, and the parameters that were set in forecasting a reduction in enrollment. I am really proud of what you've put before us, and I think it's good and sound. We were challenging you all to cut costs and expenses. And Dr. Welch is right; it's not sustainable long-term, but it is what we are faced with, and I'm really pleased with the way the budgets look.

Dr. Langford: I just really appreciate the leadership of the System Office and the campuses. I think a key component of leadership in these turbulent times was the communication we had. The communication that came out to us was frequent, it was calm, it was optimistic, and I thought very honest. I'm very excited about the ERP. As a Board member who went through the Huron planning, I just want to point out the shared savings, the efficiencies, and the collaboration. It seems that the System is starting to function like we envisioned with that project. So I'm very excited to see that.

Upon a motion by Dr. Langford, seconded by Mrs. Clark, ASU System Resolutions 20-15 thru 20-21 were approved.

Ayes: Crawford, Gardner, Clark, Langford, Crowson

Nays: None

ASU-Jonesboro Resolutions

- Resolution 20-22 approving ASU-Jonesboro to enter into agreements for private camps

Dr. Welch: We are not 100% sure we will have any private camps this year. My understanding is that the only one that is still being considered is baseball. Obviously, if that does occur, any activity would 100% follow CDC and state health department guidelines, and I know the Athletic Department has already put a lot of those protocols in place. We would like to have your approval in the event that they are able to have those camps.

- Resolution 20-23 approving ASU-Jonesboro to amend the Faculty Handbook of Policies and Procedures

Dr. Welch: This is an update to the faculty equity pay policy that clarifies definitions, processes, and the way recommendations are made to the administration.

- Resolution 20-24 approving ASU-Jonesboro to name the defensive line position room, located in Centennial Bank Athletics Operations Center, the Alex Carrington and Bryan Hall Defensive Line Room
- Resolution 20-25 approving ASU-Jonesboro to name the men's track and field locker room the Tommy Vaughan Men's Track and Field Locker Room

Upon a motion by Mrs. Clark, seconded by Dr. Langford, ASU-Jonesboro Resolutions 20-22 thru 20-25 were approved.

Ayes: Crawford, Gardner, Clark, Langford, Crowson

Nays: None

ASU-Beebe Resolution

- Resolution 20-26 approving ASU-Beebe to execute a Memorandum of Understanding for a new academic training partnership with Altec Industries

Dr. Welch: This program would be primarily based at our Searcy campus and would allow students to be trained to ultimately go to work for this particular corporation. Altec has assisted us with a grant that resulted in \$300,000 for diesel simulators. We are just very excited and thankful for the work of Altec. We have several of their representatives who are on the call with us today: Sean Mason, Jordan Jones, Katie Lansford, and, in particular, Ken Calhoun and Sarah Rops, who have been the two primary individuals working with us on this project. I want to thank them for all of their efforts and for being with us today. We are excited about what this will mean for our students, what this will mean for our institution, but also what it will mean for the workforce itself, as we provide more trained individuals who will be able to immediately go into high-need job areas.

Upon a motion by Mr. Gardner, seconded by Dr. Langford, ASU-Beebe Resolution 20-26 was approved.

Ayes: Crawford, Gardner, Clark, Langford, Crowson

Nays: None

ASU-Mountain Home Resolution

- Resolution 20-27 approving the ASU-Mountain Home Shared Governance Document

Dr. Welch: This is not a new document, but Mountain Home made some updates and changed some of their committee composition.

Upon a motion by Mr. Crowson, seconded by Mrs. Clark, ASU-Mountain Home Resolution 20-27 was approved.

Ayes: Crawford, Gardner, Clark, Langford, Crowson

Nays: None

ASU-Newport Resolution

- Resolution 20-28 approving ASU-Newport to add five new program locations

Dr. Welch: These are not actual new locations. Newport has been offering instruction through concurrent enrollment; however, once you reach a certain threshold, then you have to get formal governing board authority and then approval from the Higher Learning Commission. We've reached that threshold at each of these five locations and just need to get that formally approved by this Board, so that we can make a final approval application to the Higher Learning Commission

Upon a motion by Dr. Langford, seconded by Mr. Crowson, ASU-Newport Resolution 20-28 was approved.

Ayes: Crawford, Gardner, Clark, Langford, Crowson

Nays: None

Executive Session:

Upon a motion by Mrs. Clark, seconded by Mr. Gardner, the Board voted to retire into executive session at 10:34 a.m.

Ayes: Crawford, Gardner, Clark, Langford, Crowson

Nays: None

Mrs. Crawford 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 11:25 a.m.

Personnel Actions:

Upon a motion by Mrs. Clark, seconded by Dr. Langford, the contract revisions for the ASU System were approved.

Ayes: Crawford, Gardner, Clark, Langford, Crowson

Nays: None

Upon a motion by Mr. Crowson, seconded by Mr. Gardner, the promotion recommendations, tenure recommendations, academic appointments, academic reassignments, non-academic appointments, non-academic reassignments, and contract revision for ASU-Jonesboro were approved.

Ayes: Crawford, Gardner, Clark, Langford, Crowson

Nays: None

Upon a motion by Dr. Langford, seconded by Mrs. Clark, the promotion recommendations, academic appointment, non-academic appointment, and non-academic reassignment for ASU-Beebe were approved.

Ayes: Crawford, Gardner, Clark, Langford, Crowson

Nays: None

Upon a motion by Mr. Gardner, seconded by Mr. Crowson, the non-academic appointments for ASU-Mountain Home were approved.

Ayes: Crawford, Gardner, Clark, Langford, Crowson

Nays: None

Upon a motion by Mr. Gardner, seconded by Dr. Langford, the promotion recommendations and academic appointment for ASU-Newport were approved.

Ayes: Crawford, Gardner, Clark, Langford, Crowson

Nays: None

Upon a motion by Mrs. Clark, seconded by Mr. Crowson, the non-academic reassignment for ASU Mid-South was approved.

Ayes: Crawford, Gardner, Clark, Langford, Crowson

Nays: None

Upon a motion by Dr. Langford, seconded by Mr. Gardner, the promotion recommendations, academic appointment, and non-academic reassignment for ASU Three Rivers were approved.

Ayes: Crawford, Gardner, Clark, Langford, Crowson

Nays: None

Other Business

Dr. Welch: I want to clarify that we are testing all returning student-athletes who are coming back to campus this summer. This is not a requirement, and not every university is doing this, but we feel like it is important to have as much knowledge as possible, particularly considering that multiple positive tests were from students who were asymptomatic. We want to be as comprehensive and cautious as possible.

Finally, I would like to end on a positive note. Yesterday the Arkansas Natural and Cultural Resources Council met and considered three proposals we put forth - two for our current System campuses and one for Henderson State. I am pleased to announce that all three proposals received 100% of the requested amounts! I am not sure this has ever happened. I contacted Heritage Secretary Stacy Hurst and thanked her, and she said they were all deserving projects. Our Jonesboro campus received \$155,838 for work on the Lakeport Plantation. ASU Three Rivers received \$663,263 for work on Phase I of the Ritz Theater in Malvern that they received as a gift. Henderson received \$586,688 for

maintenance on the Captain Henderson House. It is obvious that our projects are well regarded around the state.

Adjournment:

Upon a motion by Mr. Crowson, seconded by Dr. Langford, the meeting adjourned at 11:32 a.m.

Ayes: Crawford, Gardner, Clark, Langford, Crowson

Nays: None

Christy Clark, Secretary

Stacy Crawford, Chair