

The Board of Trustees of the University of Central Arkansas convened in a called teleconference meeting at 4:00 p.m., Wednesday, October 26, 2011, with the following officers and members present:

Chair:	Mr. Scott Roussel
Vice Chair:	Mr. Bobby Reynolds
Secretary:	Mr. Victor Green
	Dr. Harold Chakales
	Mr. Rush Harding, III
	Mrs. Kay Hinkle

Mr. Randy Sims was absent.

The University is currently insured through United Health Care. The current health plan and rate schedule expires on December 31, 2011. The contract for health insurance has been awarded on a calendar-year basis, even though the University budget is on a fiscal-year basis. The administration proposes a six-month renewal to alter the contract to a fiscal-year basis.

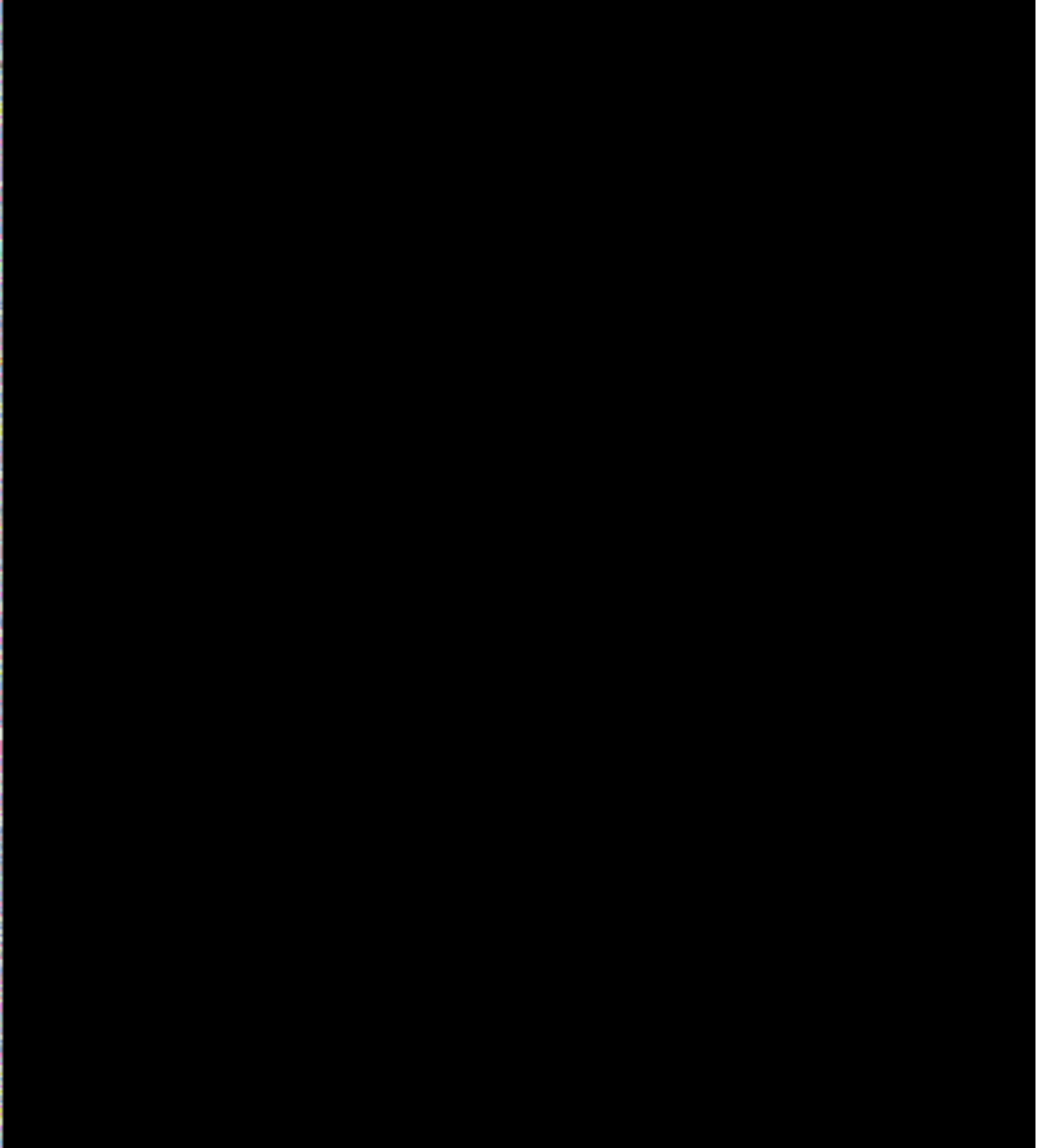
After several years of plan utilization with little or no health rate increases, our utilization has seen a dramatic increase over the last year compared to the previous years. United Health Care presented four (4) options for UCA to consider: a 6-month renewal with and without plan design changes and a 12-month renewal with and without plan design changes.

After a thorough review by the Budget Advisory Committee and the Fringe Benefits Committee, the committees have recommended the following:

1. Accept the six-month renewal offer of a 9% premium rate increase with no plan design changes. This will result in a \$316,680 premium increase from January 1 through June 30, 2012. The entire increase will be absorbed by UCA and there will be no rate increase to the employee. The major rationale for UCA absorbing the increase is because no salary increases were granted this year. If the health rate increase was passed the to employees, the cost to the University would still have been \$209,008 since the University's portion of the health premium is approximately 66%. Therefore, the additional amount required to keep from passing the cost on to employees is \$107,672. The funds for this increase will come from contingency funds.
2. Change the health plan renewal for plan rate purposes to July 1 instead of January 1. The purpose of this change is to allow the health plan rate renewal to be conducted on

The Board now needs to authorize the placement of the amphitheatre on the University's campus. A power-point presentation has been provided to the members of the Board showing the placement of the amphitheatre in the area immediately north of the Student Center. This is the site chosen by the SGA and after review is acceptable to the administration.

The following resolution was unanimously adopted upon motion by Rush Harding with a second by Bobby Reynolds:



4. Term: Agreement was reached in spring, 2011 to extend the contract through June 30, 2013. Two documents were signed in March and April amending and extending the existing agreement. The documents were not presented to the Board, and the extension is presented at this time for review by the Board and to answer any questions.

5. University Funds to be Paid: No university funds are paid under the agreement, except in the latest renewal the University did agree to provide \$50,000 for an upgrade to the bookstore (the improvements were made during summer, 2011). Barnes and Noble provided \$60,000 for the improvements and upgrade to the bookstore facility.

6. Public Bid/Purchasing Approval:

The administration is requesting authority to transfer authority to spend cash funds under the University's appropriation act from an operating account to a capital improvements account. Cash funds are from funds other than the state appropriation, for example from bond proceeds, tuition, fees and auxiliary operations.

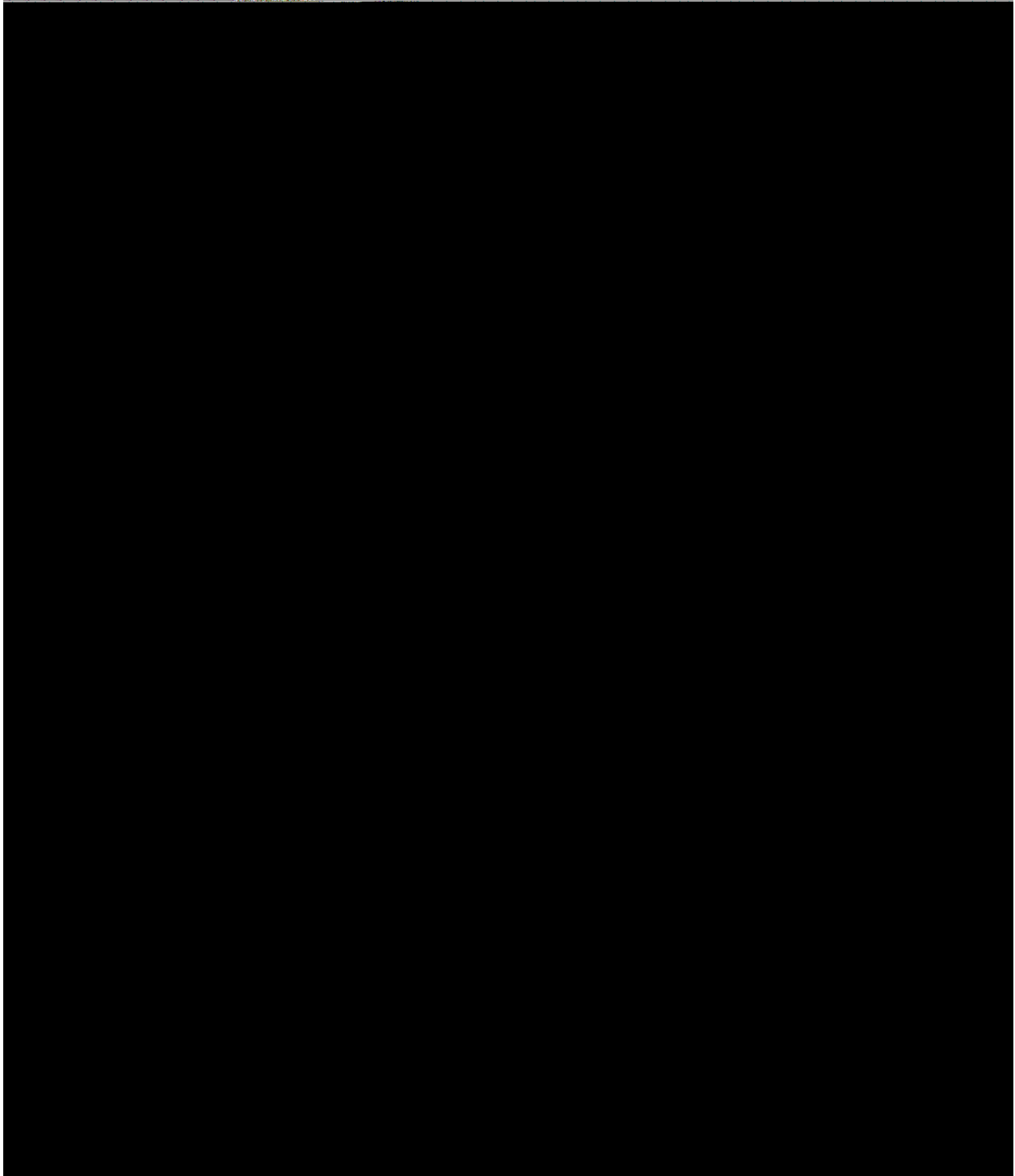
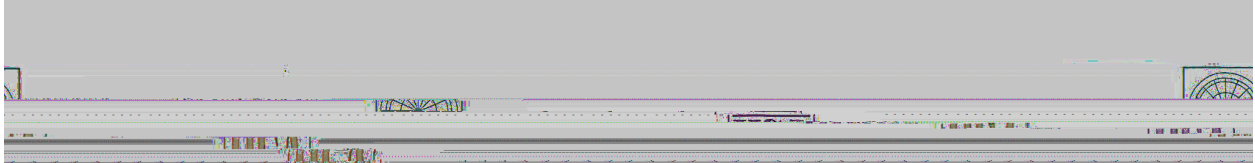
The reason for the transfer request is to have sufficient room in the appropriated amount to cover the construction costs of Bear Hall and the proposed expansion of the HPER Center.

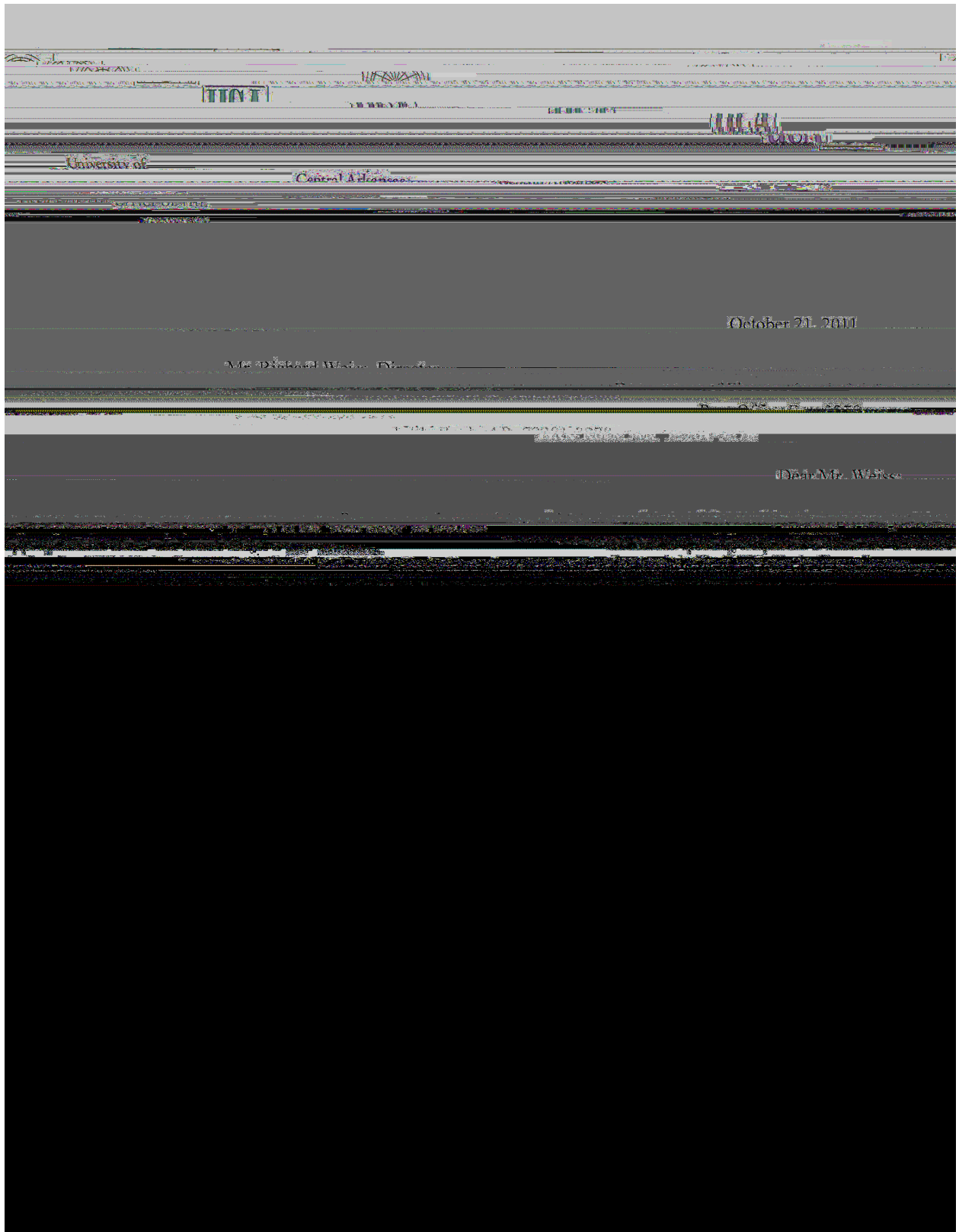
Under the Arkansas Constitution, monies may only be spent pursuant to an appropriation law. This requires a bill to be passed by the General Assembly and signed into law by the Governor. Each institution of higher education and state agency has an appropriation act for each year. For several years prior to FY 2012, the University's line item for capital projects to be funded from cash funds was \$77.1 million. In the 2012 appropriations act, the figure was reduced to \$15 million. This figure is too low taking into account those two projects.

There are other provisions under appropriation acts of the General Assembly, which authorize the transfer funds between accounts. On October 21, 2011, the University submitted two requests to Mr. Richard Weiss, Director of the Arkansas Department of Finance and Administration, requesting authority to transfer an additional \$25 million (in the aggregate) to the capital projects fund for the Bear Hall and HPER projects. These projects total approximately \$38.5 million. The letters are attached.

Act 1065 of 2011, one of the acts being used to request the transfer authority (referred to as a "reallocation of resources), requires the approval of the Board of Trustees.

The following resolution was unanimously adopted upon motion by Rush Harding with a second by Kay Hinkle:





There being no further business to come before the Board, the meeting was adjourned upon motion by Kay Hinkle with a second by Victor Green.