

Mary Ann:

I found attached in Old Board Packet
Folders I was cleaning out. These
Ballard Reports may NOT be in the Folder
with all the others I gave you to
file (in your office until later.)

Betty

The logo for Ouachita Technical College is enclosed in a rectangular border. It features the word "OUACHITA" in a large, bold, serif font, with a horizontal line underneath it. Below the line, the words "TECHNICAL COLLEGE" are written in a smaller, bold, sans-serif font.

Memo

To: Members of the Board of Trustees

From: Barry Ballard, President *BB*

Date: May 25, 2011

Re: Update on Various Issues

Below is a list of significant items and activities at Ouachita Technical College about which I think you will be interested. In this bi-monthly report to you, I try to include things that I think you would want to know about the operation and management of OTC that you probably would not otherwise read about in newsletters, email and reports received during the official Board meetings. These items are in no particular order.

1. THE NAME CHANGE TO "COLLEGE OF THE OUACHITAS" IS EFFECTIVE JULY 1

As you know, the name change bill, SB 384, now Act 208, was passed by the General Assembly in February and signed into law by Governor Mike Beebe on March 8, 2011, during a ceremony in the Governors Conference Room at the State Capitol that was attended by about 30 people representing the College. While we are still working on the various applications of the new logo that will become a part of our rebranding effort, we will actually begin using the new name on things that we have to reprint now in the normal course of business, e.g., semester course schedules, catalogs, brochures, and the like.

We are currently planning two ceremonies to formally introduce the new name to both the campus community and the community at large. The first will be a small, in-house event on Friday morning, July 1, 2011 at 9:00 a.m. during which employees will meet at the clock tower on the front corner of the campus to unveil the new name that will be installed on it by then. We will take a few pictures and then adjourn to the foyer in the main building for a reception and celebration of the change. We will also provide the Malvern Daily Record with a press release and a picture relating to the name change and on-campus event.

The second ceremonial event scheduled for September 1, 2011 will be much bigger and more elaborate. It will be the official unveiling of the new logo, style manual, College seal, signage, and other logo/name applications. This event will involve not only all faculty and staff, but, also our students and the public who will be invited for the official unveiling and for a reception. More details on these events will be forthcoming.

2. OTC FOUNDATION INVESTMENTS STRONG & THE FOUNDATION BOARD HAS SET THE DATE FOR THE ANNUAL BINGO BASH

The following shows the total of investments for the Foundation as of May 20, 2011.

Blackrock Global mutual fund (7424 shares) & cash dividends	\$153,682
AT&T Inc. stock (801 shares) & cash dividends	25,047
Kimberly Clark (465 shares) & cash dividends	31,778
Duke Energy Corp stock (630 shares) & cash dividends	12,008
Entergy Corp stock (320 shares) & cash dividends	22,086
Abbot Labs (624 shares) & cash dividends	33,228
Conagra (802 shares) & cash dividends	20,363
Farmers Bank & Trust CDs mature 2/26/11 & 8/26/10	200,000
Summit Bank accounts (Scholarship, General and Bldg/Eqpt)	56,666
Edward Jones cash	779
Total all funds	\$555,637
Paid out in Scholarships	\$22,000
Net earnings after scholarships (included in total above)	\$78,423

(See attached Investments details sheet.)

The OTC Foundation received checks for the interest earned on the Building Account and the Scholarship Account for \$161.31 and \$620.05 respectively. In addition, we also received an interest check from Smith-Barney for the Blackrock Global mutual fund for \$3,868.07.

The OTC Development Staff recently assisted the Malvern/Hot Spring County Chamber of Commerce in organizing their first bingo event, Bingo Bonanza, which replaced the Chamber TV Auction. The Chamber graciously donated \$1,800 from their proceeds to the OTC Foundation Scholarship Account as well as giving an additional \$250 donation for letting them use our bingo equipment.

The Foundation Board has officially set the Fourth Annual Big Bingo Bash for Friday, August 19, 2011 at the Malvern Community Center. This fundraiser has profited more than \$33,000 for the Foundation Scholarship Account over the past three years. The Foundation Board, OTC administration and staff will soon be soliciting prizes for prize packages and sponsorships. If you or your business would be interested in becoming a sponsor or contributing a prize, please contact Ms. Amber Childers at 332-0234.

The next OTC Foundation Board meeting is scheduled for Thursday, June 2.

3. THE 88TH ARKANSAS GENERAL ASSEMBLY DID NOT HURT OR HELP MUCH

The general revenue appropriation we received for the 2011-2012 school year is the same amount of money that had been funded for the current year ending June 30, 2011. Our Workforce 2000 special appropriation is also the same, but the funding forecast for it is about \$80,000 below our 2010-11 receipts.

Though the Governor and the Legislature sometimes listened sympathetically to our funding needs, it seemed that they were mostly distracted by contentious political party issues, very tight revenue forecasts, and tax rate reductions wherever there was opportunity. In some respects, we were lucky to get what we did. However, the Governor and the Legislature wants us to do more, graduate more, and grow our enrollments, even in the face of reduced funding. We are getting reports from other colleges and universities that tuition increases

ranging from 5% to 9% are being considered for the Fall Semester 2011. Those institutions, primarily universities, that have had big enrollment increases driven by the lottery scholarships, feel that the tuition increases may be the only way they can pay for the higher operating costs related to the higher enrollments.

4. THE COLLEGE REACHES AN AGREEMENT WITH THE OCR, UNITED STATES DEPARTMENT OF EDUCATION RELATED TO THE LATEST COMPLAINT

I mentioned in my last report that the most recent OCR complaint charged that the College had discriminated against mobility impaired (wheel chair bound) students and citizens. The reason for the allegation is because the College had not published policies and procedures on how to handle citizen complaints of possible violations of the Federal laws and regulation, e.g., provisions of the American with Disabilities Act of 1990 (Title II) and Section 504 of the Rehabilitation Act of 1973.

The OCR Investigator handling this complaint has been in contact with our legal counsel, Ms. Amanda Abernethy, Assistant Attorney General, and an agreement on a resolution has been reached. Our attorney helped us avoid an official finding of not being in compliance by negotiating for us, a voluntary resolution agreement. Attached is a copy of the resolution agreement and the official letter from the Office for Civil Rights, U.S. Department of Education, indicating that our offer to enter into a voluntary resolution agreement has been accepted and that, as such, the OCR has made a determination that resolves the official complaint.

The College is not off the hook. The College was not in compliance because it did not have in place all the policies, procedures and resources required in the laws and regulations identified in the referenced letter and resolution agreement. We have to establish a new Board policy, proposed COPP 3.38, related to how we handle and resolve a possible grievance from a citizen that our facilities might be in violation of federal laws and regulations established by the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1990. We had not identified an employee to handle such grievances and to administer the policy and procedures. We have now identified Ms. Rhonda Smith, College Personnel Officer, as that person. In addition to the policy and procedures that have to be developed and adopted by the Board, the staff has to conduct inservice training for all employees on them as well as on the laws and their related regulations by September 1, 2011. Additionally, we have to provide the OCR in Dallas, Texas, with the evidence that we have done these things (policy established and training conducted).

We have never heard anything from the OCR Dallas Office regarding the first complaint about which we were notified last fall.

5. MS. CHERYL REED HAS FILED A LAW SUIT AGAINST THE COLLEGE

As you may recall, April a year ago, the College sent Ms. Cheryl Reed notice that it was not renewing her contract for the 2010-11 school year. She filed grievances at the division level, vice president's level, president's level and finally at the Board level. Then she filed a federal EEOC complaint against the College alleging that the College violated her federally protected rights to be treated without prejudice. On December 23, 2010, the EEOC issued its finding that it could find no evidence that the College violated her rights, but gave her 90 days to file a lawsuit if she wanted to seek redress through the federal courts. Lawyers frequently refer to this EEOC letter of findings as a "right to sue" letter. On March 23, 2011,

Ms. Reed filed a lawsuit against the College. She waited until the 90th and last day to do so.

In her suit, she alleges that she repeatedly opposed OTC's racially discriminating employment practices – claiming that the College mistreated her, a white woman, because she had a relationship with a black student. She also claims to have specifically complained about Pat Simms, Arts and Sciences Division Chair and her supervisor, for inappropriate sexual comments. She claims that meetings were held involving Mr. Simms and Dr. Susan Karr, Vice President of Instruction, to address her complaints, but that after Dr. Karr, left the College, Mr. Simms built a record of complaints in retaliation, which led to her ultimate dismissal. The lawsuit claims that *"But for her open relationship with a black person and or her prior protected activity opposing various race, sex and disability discrimination, she would never have been recommended for non-renewal based on the remaining issues described in the non-renewal notice."*

After being served and officially notified by the federal court that the law suit had been filed, I contacted the Attorney General's office to notify them of the suit and to officially request defense counsel against the complaint. The AG's office responded immediately to the request indicating that it would provide defense legal counsel and gave us notice that Mr. Mark N. Ohrenberger, Assist. Attorney General and member of the AG's Litigation Section had been assigned to the case. Shortly after that on May 4, 2011, Dr. Eggenesperger, and Mr. Simms, and I met with Mr. Ohrenberger, Assistant AG, here at the College to review the case and to collect the information and documentation sufficient to properly answer Ms. Reed's lawsuit by the deadline given by the court of May 11, 2011. To assist in preparing the answer, we gathered and sent the following files to Mr. Ohrenberger: 1. Ms. Reed's personnel file; 2. The file Mr. Simms, her supervisor, kept on the numerous incidents he had with Ms. Reed; and 3. The EEOC file OTC had maintained in connection with Ms. Reed's charge of discrimination to that agency. Our answer to the lawsuit denied all of her allegations.

The court has now entered an Initial Scheduling Order for the trial on the lawsuit. According to the order, the jury trial in this case will be held during the week of May 21, 2012. We have notified the people at the College who are most likely to be involved in the trial (Mr. Simms, Dr. Eggenesperger, etc.) about the trial date so they can block off that entire week on their calendars.

The court also scheduled deadlines of June 13 and June 27 for the *Rule 26(f)*₁ conference and the *Rule 26(f)*₂ report respectively. No action is needed by us on either of these, but our attorney will need to visit with us (perhaps by telephone) sometime during the week before the *Rule 26(f)* conference (which is typically only attended by the lawyers) to make certain we are all on the same page and to identify any potential issues that might need to be discussed with Ms. Reed's attorney at the conference. The Rule 26(f) requires that the attorneys confer prior to the commencement of discovery in order to identify in advance any potential issues that might have to be addressed and for scheduling purposes. The report is made up of answers to a series of 13 or 14 questions for the court pertaining to the case.

6. STATUS OF SEARCH FOR NEW VICE PRESIDENT OF STUDENT AFFAIRS

As you may recall, Dr. Cortez Henderson resigned as our Vice President of Student Affairs this past spring semester and joined the staff of Arkansas Baptist College in a position with the same title. We have advertised nationally seeking qualified applicants in a variety of print and electronic media outlets at a cost of over \$2,000 and have had good results.

About 40 persons have sent in applications and credentials for the position and the vast majority of them met the minimum qualifications of a Masters Degree, experience in higher education and student affairs, and significant supervisory experience. We appointed a very good search committee to work with me and which is composed of persons representing faculty, staff, administration, male & female genders, minorities, and the student affairs division.

The Committee has worked to screen the applicants down to a group of about a dozen finalists. Late last week each of the finalists received a two-page list of questions the Committee developed to learn more about the applicant's suitability for the job as well their philosophy and experience. The Committee will continue to meet after we get the answers to our questionnaire back late this week and we will narrow down the finalists to a short list of two to four candidates who will then be invited to campus for interviews and presentations. We will invite all Board members to come to campus and listen in on the presentations because we want as much input as we can get.

END This concludes my report for this period. We look forward to seeing you for our 5:00 p.m. meeting on Tuesday, May 31, 2011. A light dinner snack and sweets with beverages will be available for you after 4:30 p.m. in the Board Room where we will have the meeting. Future Board meetings in 2011 are currently scheduled for July 26, September 27, and December 6.

The campus will be closed on Monday, May 30, 2011 for the Memorial Day holiday, but it will be open the next day on 5/31/2011 when we will have our Board meeting.

The Adult Education graduation is scheduled for 7:00 p.m., Thursday, June 23, 2011 at the Malvern Community Center. GED graduates from both the Malvern and Sheridan Adult Education centers will be participating.

Thanks again for your commitment, many contributions, and support.

Enclosures

5/20/2011

OUACHITA TECHNICAL COLLEGE FOUNDATION
INVESTMENTS

				ASSETS VALUE	GAIN/LOSS
BLACKROCK GLOBAL(mutual fund)					
MDLOX	3/10/2009	7423.91 shares	\$ 13.47	\$ 100,000	
	5/20/2011	7423.91 shares	\$ 20.18	\$ 149,814	\$ 49,814
		cash		\$ 3,867	\$ 3,867
TOTAL				\$ 153,682	\$ 53,682
AT&T INC GLOBAL NOTE(corporate bond)					
	3/10/2009	\$50,000 MATURE 2/15/2019 corp bd@5.8%		\$ 50,005	
	7/28/2010	<u>SOLD</u>		\$ 56,704	\$ 6,699
		cash		\$ 1,450	\$ 1,450
		ACCURED INTEREST		\$ 1,345	\$ 1,345
TOTAL				\$ 58,154	\$ 8,149
WAL-MART STORES INC(corporate bond)					
	3/8/2011	\$70,000 MATURES 4/5/2027 @5.875%/110.916		\$ 22,183	\$ (499)
		cash		\$ 588	\$ 588
AT&T Inc	2/25/2010	801 shares	\$ 24.71	\$ 19,791	
		dividends		\$ 1,017	\$ 1,017
	5/20/2011		\$ 31.27	\$ 25,047	\$ 5,256
Centerpoint Energy Inc	9/28/2009	791 shares	\$12.60	\$9,967	
		dividends		\$462	\$462
CNP	7/27/2010	<u>SOLD</u>	\$14.51	\$ 11,480	\$1,513
Duke Energy Corp(DUK)	9/28/2009	630 shares	\$ 15.80	\$ 9,954	
		dividends		\$608	\$608
	5/20/2011		\$19.06	\$ 12,008	\$2,054
Entergy Corp(ETR)	9/28/2009	123 shares	\$ 76.72	\$ 9,437	
	2/25/2010	130 shares	\$75.53	\$ 9,819	
	2/1/2011	67 SHARES	\$73.27	\$ 4,909	
		dividends		\$1,050	\$1,050
	5/20/2011		\$ 69.02	\$ 22,086	\$ (2,028)
FPL Group Inc/Nextera	2/25/2010	212 shares	\$ 46.46	\$ 9,850	
		dividends		\$ 212	\$ 212
	7/28/2010	<u>SOLD</u>	\$ 53.24	\$ 11,287	\$1,437
conocophillips(COP)	7/28/2010	425 shares	\$ 54.26	\$ 23,061	
		dividends		\$ 468	\$ 468
	3/8/2011	<u>SOLD</u>	\$ 75.31	\$ 32,008	\$ 8,247
pfilter(pfe)	7/28/2010	1522 shares	\$ 15.16	\$ 23,069	
		dividends		\$ 512	\$ 512
	12/15/2010	<u>SOLD</u>	\$ 16.72	\$ 25,453	\$ 2,384
spectra energy(se)	7/28/2010	400 shares	\$ 21.35	\$ 8,539	
	7/28/2010	681 shares	\$ 21.35	\$ 14,539	
		dividends		\$ 270	\$ 270
	3/8/2011	<u>SOLD</u>	\$ 26.22	\$ 28,344	\$ 5,765
Kimberly Clark Corp(kmb)	3/18/2011	465 shares	\$ 63.68	\$ 29,610	
	5/20/2011		\$ 68.34	\$ 31,778	\$ 2,162
Abbott Labs(ABT)	3/18/2011	674 shares	\$ 47.53	\$ 29,656	
	5/10/2011		\$ 53.25	\$ 33,228	\$ 3,572
Conagra foods inc(CAG)	2/4/2011	100 shares	\$ 22.55	\$ 2,255	
		602 shares	\$ 22.55	\$ 13,572	
		100 shares	\$ 22.55	\$ 2,255	
	5/20/2011		\$ 25.39	\$ 20,363	\$ 2,280
TOTAL INVESTMENTS				\$ 320,376	\$ 96,263
Edward Jones		cash		\$ 778.92	
CD'S AT Farmers bank & Trust MATURES 2/26/2012				\$ 200,000	\$ 8,657
ACCOUNTS AT SUMMIT BANK/SCHOLARSHIP				\$ 2,202	
ACCOUNTS AT SUMMIT BANK/GENERAL				\$ 25,114	
ACCOUNTS AT SUMMIT BANK/BUILDING&EQUIP				\$ 7,167	
TOTAL				\$ 34,482	
TOTAL ALL FUNDS				\$ 555,637	\$ 104,921
commissions and tax					\$ 4,492
NET EARNINGS					\$ 100,423
Scholarships					22,000
NET EARNINGS AFTER SCHOLARSHIPS					\$ 78,423



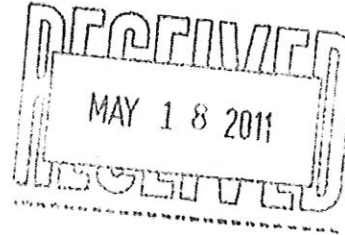
UNITED STATES DEPARTMENT OF EDUCATION

OFFICE FOR CIVIL RIGHTS
DALLAS OFFICE

MAY 13 2011

Reference: 06112019

Dr. J. Barry Ballard, President
Ouachita Technical College
One College Circle
Malvern, AR 72104



Dear Dr. Ballard:

This letter is to notify you that the U.S. Department of Education (Department), Office for Civil Rights (OCR), Dallas Office, has made a determination in the above referenced complaint. The complainant alleged that Ouachita Technical College (OTC), Malvern, Arkansas, discriminated against persons based on disability in violation to Section 504 of the Rehabilitation Act of 1973 (Section 504) 29 U.S.C. § 794, and its implementing regulation at 34 C.F.R. Part 104 (2010) and Title II of the Americans with Disabilities Act of 1990 (Title II) 42 U.S.C. §§ 12131 *et seq.*, and its implementing regulation at 28 C.F.R. Part 35 (2010), which prohibit discrimination based on disability.

Based on the allegation raised in the complaint, OCR investigated the issue of whether the OTC adopted and published grievance procedures, that incorporate appropriate due process standards and that provide for the prompt and equitable resolution of complaints alleging any action prohibited by Section 504 in compliance with 34 C.F.R. §104.7.

OCR is responsible for determining whether recipients of Federal financial assistance from the U.S. Department are in compliance with the laws we enforce. OTC is a recipient of Federal financial assistance from the Department and a public entity, and as such, OCR has jurisdiction to process this complaint for resolution under Section 504 and Title II.

Regarding this issue, prior to the conclusion of OCR's investigation, the OTC informed OCR that it was interested in resolving the complainant's allegation. The OTC voluntarily submitted to OCR a Resolution Agreement to resolve the complaint, which was received by OCR on May 13, 2011. A copy of the Resolution Agreement is enclosed. OCR determined that the provisions of the Resolution Agreement are aligned with and appropriately resolves the complaint allegation. Further, OCR accepts the Resolution Agreement as an assurance that the OTC will fulfill its obligation under Section 504 and Title II with respect to the complaint allegation. The dates for implementation and specific actions are detailed in the Resolution Agreement. OCR will monitor the implementation of the Resolution Agreement.

1999 BRYAN ST., SUITE 1620, DALLAS, TX 75201-6810
www.ed.gov

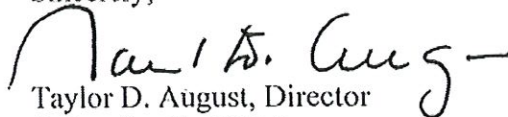
The Department of Education's mission is to promote student achievement and preparation for global competitiveness by fostering educational excellence and ensuring equal access.

Under OCR procedures we are obligated to advise the institution against which the complaint is filed that intimidation or retaliation against a complainant is prohibited by regulations enforced by this agency. Specifically, the regulations enforced by OCR, directly or by reference, state that no recipient or other person shall intimidate, threaten, coerce or discriminate against any individual for the purpose of interfering with any right or privilege secured by regulations enforced by OCR or because one has made a complaint, testified, assisted or participated in any manner in an investigation, proceedings or hearing held in connection with a complaint.

Under the Freedom of Information Act, 5 U.S.C. § 552, it may be necessary to release this document and other related correspondence and records upon request. In the event we receive such a request, we will seek to protect, to the extent provided by law, personally identifiable information which, if released, could reasonably be expected to constitute an unwarranted invasion of privacy.

If you have any questions, please feel free to contact John Stephens, Compliance Team Leader, at 214.661.9651.

Sincerely,

A handwritten signature in black ink that reads "Taylor D. August". The signature is written in a cursive style with a horizontal line at the end.

Taylor D. August, Director
Office for Civil Rights
Dallas Office

Enclosures

Resolution Agreement

Ouachita Technical College
OCR Case No. 06112019



Ouachita Technical College (OTC), Malvern, Arkansas, voluntarily submits this Resolution Agreement to the U.S. Department of Education, Office for Civil Rights (OCR), Dallas Office. OTC agrees to the actions listed below to ensure compliance with Section 504 of the Rehabilitation Act of 1973 (Section 504) 29 U.S.C. § 794, and its implementing regulation at 34 C.F.R. Part 104 (2010) and Title II of the Americans with Disabilities Act of 1990 (Title II) 42 U.S.C. §§ 12131 *et seq.*, and its implementing regulation at 28 C.F.R. Part 35 (2010), as it relates to the issue in this case. The OTC understands that OCR will not close the monitoring of this agreement until OCR determines that the recipient has fulfilled the terms of this agreement and is in compliance with the regulation implementing Section 504 and Title II were at issue in this complaint.

Under this Voluntary Agreement, the OTC agrees to take the following actions:

- A) By June 1, 2011, the OTC will revise the grievance procedures to include, at a minimum, the following provisions and items:
- 1) That publicize the name and contact information of the person designated to coordinate OTC's compliance with Section 504/Title II;
 - 2) That ensure for an adequate, reliable, and impartial investigation of complaints, including the opportunity to present witnesses and other evidence will be conducted;
 - 3) That the investigations will be conducted within a specified timeframe;
 - 4) That the parties involved in the complaint will be notified in writing of the outcome of the investigation within a reasonable time upon its conclusion;
 - 5) An assurance that OTC will not retaliate or intimidate any persons involved in the investigation; and
 - 6) An assurance that the school will take appropriate steps to stop and prevent the recurrence of any identified discrimination, where appropriate.
- B) By June 10, 2011, OTC will notify all OTC students, employees and persons visiting the campus, via the OTC website, of its revised grievance procedures providing for the prompt and equitable resolution of any complaints alleging any discrimination prohibited by Section 504/Title II.
- C) By September 1, 2011, OTC will conduct in-service training for all OTC administrators and staff involved in the implementation of the revised grievance procedures.

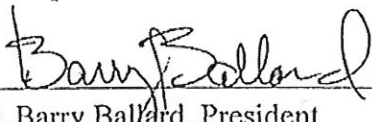
Reporting Dates:

1. By June 10, 2011, the OTC will submit to OCR a copy of the grievance procedures for review and comment.

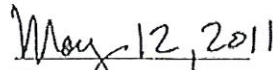
2. By July 1, 2011, the OTC will submit to OCR evidence that all OTC students, employees and other interested persons have been notified, via the OTC website, of its revised grievance procedures providing for the prompt and equitable resolution of any complaints alleging any discrimination prohibited by Section 504/Title II.
3. By September 15, 2011 the OTC will submit evidence that in-service training for all OTC administrators and staff involved in the implementation of the revised grievance procedures has been completed.

The OTC agrees to provide OCR with any additional documentation required by OCR to determine that the OTC has completed the above-listed alterations.

The OTC understands that by signing this agreement, it agrees to provide data and other information in a timely manner in accordance with the reporting requirements of this agreement. Further, the OTC understands that during the monitoring of this agreement, if necessary, OCR may visit the OTC, interview staff and students, and request such additional reports or data as are necessary for OCR to determine whether the OTC has fulfilled the terms of this agreement and is in compliance with Section 504/Title II, and their implementing regulations.



Dr. Barry Ballard, President
Ouachita Technical College


Date

The logo for Ouachita Technical College is enclosed in a black rectangular border. It features the word "OUACHITA" in a large, bold, serif font, with a horizontal line underneath it. Below the line, the words "TECHNICAL COLLEGE" are written in a smaller, bold, serif font.

OUACHITA
TECHNICAL COLLEGE

Memo

To: Members of the Board of Trustees

From: Barry Ballard, President *BB*

Date: September 9, 2010

Re: Update on Various Issues

Below is a list of significant items and activities at Ouachita Technical College about which I think you will be interested. In this bi-monthly report to you, I try to include things that I think you would want to know about the operation and management of OTC that you probably would not otherwise read about in newsletters, email and reports received during the official Board meetings. These items are in no particular order.

1. GOVERNOR MIKE BEEBE APPOINTS RON HOLT TO OTC BOARD REPLACING PETE PALADINO WHO SERVED FOR SIXTEEN YEARS

We will greatly miss having Pete Paladino on our Board of Trustees on which he served for sixteen years including two stints as Chairman. However, we are very pleased with the appointment of Ron Holt who will serve a seven-year term from July 1, 2010 to June 30, 2017.

Ron Holt has recently retired from active service, but he has long been a recognized education leader and administrator in Arkansas generally and in our service area particularly. He has earned Bachelor of Science and Masters of Science Degrees in Education from Henderson State University including post-graduate work at the University of Arkansas and HSU after graduating from Bismarck (AR) High School. His forty-year professional career as an educator includes work as a teacher (Bismarck SD), a building principal (Bismarck and Lakeside SDs), a supervisor for the Arkansas Department of Education, an assistant superintendent (Malvern SD) and as the Superintendent of Malvern Public Schools for ten years. Additionally, he has demonstrated his commitment to community development through his active membership in the Malvern Lions Club and previous membership in the Malvern Rotary Club, Malvern/Hot Spring County Chamber of Commerce Board of Directors, as Vice President of the Hot Spring County Economic Development Commission, and as Vice President of the Hot Spring County United Way Board of Directors.

He has demonstrated his professionalism as an active member of the American Association of Education Administrators, the Arkansas Association of Educational Administrators, the National School Board Association, the Association of Supervision and Curriculum Development and he served as President and member of the Dawson Educational Cooperative Board of Directors.

Ron Holt is interested in continuing to contribute to the development of the community by volunteering to serve and seeking appointment on the OTC Board of Trustees. We want to welcome him to the OTC family and we are looking forward to working with him as we seek the further development of the College's ability to serve the educational needs of the community.

2. ACHIEVING THE DREAM INITIATIVE RESULTS IN IMPROVED RATES OF STUDENT SUCCESS, RETENTION, TRANSFER AND GRADUATION

We are entering the fourth year of our Achieving the Dream Initiative this fall semester, and the data from the end of year three shows good progress. As you may recall, we are making data-driven decisions to change courses, methods, instructional strategies, and student support techniques aimed at improving student success. We have defined student success as course grades of A, B or C, term-to-term re-enrollments through the bridge courses of English composition and college algebra, graduations or transfers. Through AtD we are also trying to close the achievement gap between students of color and all other students.

Based on new data from last year, the retention gap between African American students and Caucasian students in 2004 was 6.72 percent and we have since improved the retention of both groups, but more so for African American students to the point now where the gap has been reduced to 4.74 percent. The gap in success rates, defined as graduation, transfer or re-enrollment, between African American students and Caucasians has been reduced from 8.08 percent in 2004 to 6.19 percent in 2010.

In developmental mathematics (Intermediate Algebra), student successes have increased from 43.85 percent in 2004 to 53.10 percent in 2010. Additionally, in developmental English (Basic Composition), student successes have increased from 53.66 percent in 2004 to 66.37 percent in 2010. We are pleased with these results but have high expectations for even better results in the future, because some of the greatest improvements in these courses have only recently been made and the data does not yet reflect those improvements.

Our Student Affairs (SA) staff has designed and implemented a new "First Year Experience" for entering students that better prepares them for early success in their collegiate experience. The new "First Year Experience" includes (1) A mandatory Orientation before school starts each term, (2) An improved "Principles of Collegiate Success" course, (3) A standardized "Student Opportunity Seminar" and interest group, (4) A better Academic Probation Policy, and (5) A refined use of the "Early Alert" system whereby faculty alert the Student Affairs staff about students who have excessive absences or are not making satisfactory progress then our SA Advisors engage in intrusive counseling to get the students back on track toward success.

3. OTC FOUNDATION INVESTMENTS STRONG & BINGO BASH VERY SUCCESSFUL

The following shows the total of investments for the Foundation as of September 8, 2010:

Blackrock Global mutual fund	\$135,827	
AT&T Inc. Global notes - corporate bonds (sold 7/28/10)	0	(\$58,154)
AT&T Inc. stock (801 shares)	21,971	
Centerpoint Energy Inc stock (sold 7/27/10)	0	(\$11,480)
Duke Energy Corp stock (630 shares)	10,981	

Entergy Corp stock (253 shares)	20,255	
FPL Group Inc. stock (212 shares sold 7/27/10)	0	(\$11,288)
ConocoPhillips (COP) (bought 425 shares 7/28/10)	23,214	
Pfizer (bought 1522 shares 7/28/10)	25,335	
Spectra Energy (bought 1081 shares 7/28/10)	23,079	
Dividends	39,120	
Farmers Bank & Trust CDs mature 2/26/11 & 8/26/10	200,000	
Summit Bank accounts (Scholarship, General and Bldg/Eqpt)	37,627	
Total all funds	\$514,330	

The third Annual Big Bingo Bash that was held on Friday, August 27, at the Malvern Community Center was very successful. This year the event was a total sell out of over 200 tickets and the committee is already planning to get more seats in the Center so the bingo display board can be seen for next year. This event has now raised over \$33,000 in the last three years and primary revenues are from the sponsorships and ticket sales.

Sponsors	
Cash	\$6,000.00
In-Kind	3,889.57
Ticket Sales	3,790.00
Additional Cards	2,537.50
Raffle Sales	1,450.00
Food/Coffee	605.70
Expenses	1,725.39
TOTAL PROFIT	\$12,657.81

The OTC Foundation Board reviewed scholarship applications and selected 10 recipients for the OTC Foundation Scholarship (\$500 each) for fall 2010. The Foundation Board has awarded 23 recipients with 27 scholarships since fall 2009 for a total of \$13,500 in financial aid. The Foundation Board is planning to award about 30 more scholarships for the spring term 2011.

4. ADULT EDUCATION CENTER IN GRANT COUNTY HOSTING AN OPEN HOUSE

The Adult Education Center in Sheridan is planning to host an open house on October 1, 2010 during the upcoming Timber Fest to show off their new facilities. The staff plans to serve hot dogs and other food items to draw local citizens in to look at their great facilities and to find out about their program offerings. The staff has done a fine job of painting and decorating their classrooms and offices to make them inviting and very conducive to learning.

5. FORMER EMPLOYEE CHERYL REED HAS FILED AN EEOC COMPLAINT AND THE COLLEGE HAS RESPONDED BY THE SEPTEMBER 2, 2010 DEADLINE DATE

In her complaint dated August 2, 2010 (attached), Ms. Reed alleges that she was unlawfully terminated because of discrimination based on race, sex, disability, and retaliation. As you may recall, the College decided in early April not to renew her 9-month teaching contract as a disciplinary action after repeated warnings about her excessive tardiness, after repeated warnings about excessive classroom cell phone use, and after falsification of a final grade. Her immediate supervisor Mr. Pat Simms, Division Chair for Arts and Sciences, had strongly recommended her nonrenewal. On April 2, 2010, according to College policy, she was given

written notice of her nonrenewal by Dr. Eggenesperger, Vice President of Instruction, who concurred in the recommendation of Mr. Simms.

She appealed her nonrenewal to the president who requested that the Professional Standards Committee conduct an appeal hearing, according to College policy, which it did on April 12, 2010. The Committee recommended that the nonrenewal should stand, but suggested to the president that Ms. Reed be given an opportunity to resign in recognition of the quality of her service and teaching in the earlier years of her employment. The president offered her an opportunity to resign, which she declined, but responded by stating that the decision of the president was not satisfactory and requested that the Board of Trustees review her nonrenewal. Based on her appeal, the Board conducted a hearing on May 11, 2010 and decided that the decision of the president of nonrenewal should stand.

Attached is the response of the College to the charges of discrimination by Ms. Reed. Ms. Amanda Abernethy, Assistant Attorney General, the College's assigned legal counsel, assisted us in the development of the written response to the EEOC and in the selection of the related support documentation. I did not include the 100 pages of support documentation because you previously received them just prior to May 11, 2010 when you conducted her appeal hearing.

We expect that the EEOC will issue a statement of "No findings" of discrimination, but give her the right to sue if she does so within ninety days. In the mean time, Ms. Reed has harassed us with 41 different "Freedom of Information (FOI)" requests for which we have to respond under penalty of law.

6. PREPARATION FOR HIGHER LEARNING COMMISSION REACCREDITATION

Ms. June Prince will provide a detailed update on our progress at the end of the upcoming Board meeting set for September 14, 2010. The HLC Visiting Team will be on campus for three days beginning on Monday, September 20, 2010. During the Team Visit, the members will be visiting with faculty, staff, students, members of the public and members of the **Board of Trustees** for the purpose of verifying all the findings in the self study.

The team visit with the Board will be at a lunch meeting from 11:30 a.m. to 1:00 p.m. on Monday, September 20, 2010. The Executive Committee will also be invited to have lunch with the Board and the visiting team that day. After we eat our meal, at approximately 12:15 p.m., I and the other members of the Executive Committee will excuse ourselves so the Board members and the Visiting Team can have open, candid and frank conversations on topics of interest with the team. June Prince and I will have very little contact with the HLC Visiting Team members during the visit because they want to visit with faculty, staff and citizens in the community. They will give us the courtesy of an exit interview to review their significant findings and their general impressions just before they leave the campus for good on Wednesday at mid-day. We will likely know if they are going to recommend full reaccreditation when they walk out of the door headed for the airport.

To prepare the faculty and staff for the team visit, we conducted an "all hands" meeting last Friday, September 3rd and reviewed the findings of the self-study report and the kinds of enquiries that the visiting team members are likely to make.

We will have a similar briefing for the Board of Trustees during the rescheduled Board meeting (approved at the recent meeting on May 25) set for next Tuesday, September 14, 2010 at 5:00 p.m. During this meeting, the Board will conduct regular business and then receive a detailed review of the self-study findings and some preparation for the visiting team.

END This concludes my report for this period. We look forward to seeing you for our 5:00 p.m. meeting on Tuesday, September 14, 2010. A light dinner snack and sweets with beverages will be available for you after 4:30 p.m. in the Board Room where we will have the meeting. Future Board meetings in 2010 are currently scheduled for 11:30 a.m. on Monday, September 20, 2010 with the HLC Visiting Team and on Tuesday, December 7 at the regular time.

Thanks again for your commitment, many contributions, and support.

Enclosures: The Cheryl Reed EEOC Complaint and the OTC Response to that complaint



Memo

To: Members of the Board of Trustees

From: Barry Ballard, President *BB*

Date: July 21, 2010

Re: Update on Various Issues

Below is a list of significant items and activities at Ouachita Technical College about which I think you will be interested. In this bi-monthly report to you, I try to include things that I think you would want to know about the operation and management of OTC that you probably would not otherwise read about in newsletters, email and reports received during the official Board meetings. If we can get a remodeling estimate from the architect by the Board meeting, we may have recommendations for you about the CarQuest Building discussed in item 5 beginning on page 9. These items are in no particular order.

1. ACHIEVING THE DREAM INITIATIVE RESULTS IN CHANGES IN NEW STUDENT EXPERIENCES THAT ARE DESIGNED TO IMPROVE RETENTION & SUCCESS RATES

In the Fall 2009 a newly designed 2 credit-hour course named the Student Opportunities Seminar (SOS) was rolled out and because its contents were thought to be very important in improving the chances of student success, new students were required to take it. During that first semester, 137 students were enrolled in several sections of it. The average class size of the various sections was about 12 students; intentionally small by design. Out of the 137 students that started, 132 completed the semester (a 96% completion rate), 111 finished the course with a grade of "C" or better (an 84% success rate), and 89 of the 132 completers registered for the next term (65% reenrollment rate).

For the Spring 2010 term 48 new students enrolled in the new SOS course of which 42 finished the semester (a 87.5% completion rate), 37 completed the semester with a grade of "C" or better (a 77% success rate), and 30 of them have enrolled for the fall semester as of July 1st (a 62.5% reenrollment rate).

The SOS instructors have met throughout the spring and summer terms to modify the curriculum according to the need of the students. Changes have included adding a personal enrichment component. The personal enrichment component will include volunteer time on campus or within the community, additional time with a tutor, and other things. In July, all SOS instructors met for a training session that included instruction on how to help students improve their writing skills via a technique referred to as "Writing Across the Curriculum." Additionally the teachers reprioritized course topics and improved grading methods. Due to changes in the SOS course, modifications needed to be made to the Principles of Collegiate Success course. The major change for the PCS course will be to include mandatory tutoring

for one hour per week. Students will attend this required tutoring together as a class along with the instructor.

As part of the AtD discussions, changes were also made to the Academic Probation policy. Students who now have a GPA below 2.0 are required to meet with the Student Success Coordinator once a week for intrusive advising on study skills, tutor needs, and planning for the next semester. In the spring 2010 semester, the program was piloted with great success. Seventeen students who were on probation met with the Student Success Coordinator weekly. At the end of the semester, eleven students were no longer on academic probation and four increased their GPA for an 88% success rate. One student was suspended, but the student plans to continue in the program during the upcoming Fall 2010 term. At this time, six students placed on academic probation for the fall 2010 term have come in for advising.

Though we did not meet our goal of a 2% increase of students receiving financial aid, OTC increased the amount of money dispersed by \$273,859 (30%). As part of the SOS course, Ms. Avery, Financial Aid Director, came to all classes and discussed available financial aid opportunities, satisfactory progress requirements and the like. Due to Ms. Avery's involvement with SOS, OTC students receiving the GO scholarship in 2009-2010 year has increased to 31 from 3 who received it in 2008-2009 year.

Student focus groups and surveys mentioned the need for more campus information to be delivered to the students in other areas of the campus besides the Eagle's Nest student center. Students recommended using digital signage. In March 2010, digital signage was being placed on campus using AtD and Student Government monies. There are currently plans to add more digital signs throughout campus in the coming school year.

2. OTC FOUNDATION INVESTMENTS STRONG, AWARDS MORE SCHOLARSHIPS AND PLANS 3RD ANNUAL BINGO BASH The following shows the total of investments for the Foundation as of July 19, 2010.

Blackrock Global mutual fund	\$131,404
AT&T Inc. Global notes - corporate bonds	57,397
AT&T Inc. stock (801 shares)	19,929
Centerpoint Energy Inc stock (791 shares)	11,114
Duke Energy Corp stock (630 shares)	10,817
Entergy Corp stock (253 shares)	19,643
FPL Group Inc. stock (212 shares)	11,187
Dividends	2,093
Farmers Bank & Trust CDs mature 2/26/11 & 8/26/10	200,000
Summit Bank accounts (Scholarship, General and Bldg/Eqpt)	<u>27,159</u>
Total all funds	\$490,743

The 3rd Annual Big Bingo Bash has officially been scheduled for Friday, August 27, from 6:30 to 9:00 p.m. at the Malvern Community Center, 1800 West Moline Street. Three sponsors have already been confirmed for the event: MNB - \$500, Kindy and Elliott - \$250, and KBOK – In-kind donation of media coverage valued at \$1,612.80). The Development Office staff is receiving items for prize packages if you or your business would like to contribute an item or items. If you are interested in discussing the value of a sponsorship, Mrs. Amber Childers (Tel: 501-332-1134) would be more than happy to visit with you. This

event has profited over \$20,000 in the last two years and primary revenues are from the sponsorships as well as ticket sales.

Other significant contributions since May include a \$1,000 donation received from Mr. and Mrs. Floyd Parker.

The OTC Foundation Board reviewed scholarship applications and selected 10 recipients for the OTC Foundation Scholarship (\$500 each) for Fall 2010. The Foundation Board has awarded 23 recipients with 27 scholarships since Fall 2009 for a total of \$13,500 in financial aid.

3. ADULT EDUCATION CENTER IN GRANT COUNTY, SHERIDAN IN NEW LOCATION

After administrators of the Sheridan School District informed us this past spring that they would no longer have space for Adult Education, they needed the space for new mandated services to students, the Grant County Adult Education Center has now been moved to 307 West Pine in Sheridan. This location is on Hwy 46 and it is a block off Hwy 270. This building was formerly the medical office of the now retired Curtis Clark, MD, and it had been vacant for two years.

The entire building is over 2,000 square feet, but we have leased and remodeled a smaller portion of the building that best suits our needs and budget - approximately 1,500 square feet of the building. The area contains 2 classrooms, 4 offices, 2 TABE/GED testing rooms, 1 break area, and an area used for paper and supply storage.

With the move to the building, we will be paying \$250.00 more in building rent payments and added utility costs. The entire remodel project cost the College approximately \$11,500.00. At the Center in Grant County, there are 5 people employed. 1) Ms. Jamalla Thomas, Employment and Training Coordinator who is funded through a grant from Department of Human Services. 2) Ms. Laura Collins, Adult Education Instructor, 3) Ms. Donna Bean, Paraprofessional who is office manager and GED Examiner, 4) Ms. Libby Bennett, Paraprofessional who is the student attendance coordinator and the TABE tester, and 5) Ms. Phyllis Dumond, a part-time teacher who works during the late morning and early afternoon.

The building, shown in the picture below, is a one-story buff brick, wood-frame building which was built approximately 50 years ago. It needs some exterior "fixing up" but right now, we are concentrating on making the inside functional and attractive.





This picture, above, shows the original condition in which we found the large “classroom.”



This picture shows the same room as it is now. It is much brighter and ready for students.

The picture below shows one of the office spaces as originally found.



The picture below is the same office as it now appears since we have moved in. This particular office is the office of our paraprofessional who gives the TABE Assessment and accounts for student attendance.



The picture below shows the kitchen and break area as it was originally found.



The picture below shows the same kitchen and break area as it is now after the faculty and staff worked on it.



The picture below shows the front door entrance and hallway as it was originally found.



The picture below shows the same space after the remodeling. The doors to the two front offices were removed to add more room for entering students and easier access to the offices.



During the remodeling, two walls were removed to make a medium size computer lab containing 12 computers used to support both GED and WAGE instruction. The picture below shows the new computer lab. We were unable to get a good “before shot” because this area was a hallway on the left of the picture and two examination rooms to the right.



4. OUACHITA TECHNICAL COLLEGE HELPS TO FORM A REGIONAL TWO-YEAR COLLEGE CONSORTIUM TO STRENGTHEN WORKFORCE CAPABILITIES

To strengthen the workforce training resources of the central Arkansas region, the Board of Directors of the eleven-county Metro Little Rock Alliance (MLRA) voted on June 24, 2010 to partner with the recently formed Central Arkansas Consortium of Two-Year Colleges.

The mission of both groups is to foster economic development in central Arkansas. In March, OTC and five other two-year colleges in central Arkansas signed a collaborative agreement to form the **“Central Arkansas Consortium of Two-Year Colleges.”** The Consortium is composed of Arkansas State University – Beebe (ASUB), National Park Community College (NPCC in Hot Springs), Ouachita Technical College (OTC in Malvern), Pulaski Technical College (PTC in North Little Rock), Southeast Arkansas College (SEARK in Pine Bluff), and University of Arkansas Community College – Morrilton (UACCM).

“The two-year colleges have a long history of responding to the workforce needs of the region’s employers,” said Eddie Black, chairman of the Metro Little Rock Alliance. “This consortium will allow the region’s institutions to share resources, curriculum and funding to further enhance the region’s competitiveness.”

“We are pleased to announce the new Central Arkansas Two-Year College Consortium,” says Dr. Ed Franklin, executive director of the Arkansas Association of Two-Year Colleges. “We expect that this consortium, together with the Metro Little Rock Alliance, will have a positive impact on economic development for this region. This is the final piece of a statewide plan to develop two-year college consortia for each region of Arkansas to erase

city, county and service area lines and to work together for the economic benefit of the state.”

The three purposes of the consortium are: 1) to combine the resources and expertise of the six colleges to better meet workforce, industry training and economic development needs of the region; 2) to allow the Consortium members to address the training and economic development needs of an expansive region that includes over one third of the entire state’s workforce and is geographically much bigger than the official service area of any one college; and 3) to jointly pursue grants and other funding opportunities to address workforce development needs of central Arkansas.

As you know, the Arkansas Association of Two-Year Colleges (AATYC) is a private, nonprofit higher education membership organization serving the educational needs of two-year college students and the business/industry needs of the State. AATYC represents all twenty-two (22) public two-year colleges in Arkansas. The Association facilitates the sharing of ideas, resources, and opportunities among its members, and advocates on behalf of members’ students.

The Metro Little Rock Alliance works with businesses and other economic development organizations in central Arkansas area to cultivate growth and prosperity in the region’s communities. The Federal Reserve Bank of St. Louis lauded Central Arkansas’ regional approach, calling the Metro Little Rock Alliance and Little Rock Regional Chamber of Commerce “critical in working together to create jobs.” This effort has played a key role in the region’s unprecedented economic development success over the past five years, accounting for over \$1.2 billion in new capital investment, \$380 million in new annual payroll, and over 10,000 new jobs. Major locations include LM Wind Power, Caterpillar, HP, Welspun, Cardinal Health, Stanley and Schulze Burch.

This week, the U.S. House of Representatives passed the SECTORS Act (HR 1855) demonstrating the importance of investing in the skills of America’s workers and Industries. The need is great for our country to address skill mismatches in the labor market, such as those highlighted in a recent New York Times article about businesses that are ready to hire but cannot find workers with the right technical skills amidst a 9.5 percent US unemployment rate. **The SECTORS Act** was developed by National Skills Coalition with state and national Partners, co-sponsored by 20 Representatives and 6 Senators, and endorsed by 168 organizations including 75 major employers. The bill allows businesses, unions, the public workforce system, and education and training providers to develop and implement plans that target job training at the current and anticipated skill needs of industries within a **geographic region**. Approximately \$2 billion dollars is being sought for this legislation.

We will be working to get the word out that moving this bill through the Senate is a crucial part of economic recovery. We want to thank our congressional delegation for their support of this important bill.

5. THE CARQUEST BUILDING NEAR THE CAMPUS PRESENTS OPPORTUNITY TO SOLVE INSTRUCTIONAL FACILITIES PROBLEMS IN COSMETOLOGY PROGRAM

We have learned that the neighboring 1-acre lot and buildings used by the CarQuest Auto Parts business that closed several months ago is available. The land and buildings are on the south side of Moline Street and just across the railroad tracks west of the

campus. The property consists of the one-acre lot and improvements that include a modern 8,000 sq. ft. rigid metal frame commercial building formerly used as a retail auto parts store, a 2,200 sq. ft. metal pole shed (barn), and 12,900 sq. ft. of asphalt paving. A recent appraisal of the property values it at \$378,000. A copy of pertinent pages from the appraisal is enclosed.

The Summit Bank will reclaim the property through the bankruptcy proceedings and an official has told us that they would consider any reasonable offer. The 2,200 sq.ft. shed would be used by our Maintenance Department, for shipping and receiving and for storage. The 8,000 sq.ft. commercial building would be remodeled to accommodate our high school cosmetology program and our college cosmetology program. Currently these two programs are in different parts of the campus and are unable to share similar facilities, equipment, staff and faculty. Both programs are very popular and have growth potential.

The college cosmetology program relies on patrons coming in and paying reduced fees to get hair, facial, and nail treatments. Currently, the college program is located in a freestanding metal building on the back of the campus, and it is very difficult to find by many patrons. The building is too small for this growing program. The most pressing problem is the need to respond to the Malvern Fire Marshall findings of a too narrow hallway. Storage needs led to the placement student lockers in the hallway. To comply with code requirements we have to either reduce the program's storage room that is already too small or we have to reduce the size of the classroom that is already too small.

The faculty and division chairs of the two programs have toured the CarQuest building and like the space, the parking and the location. They have submitted facility sketches and specifications related to their respective requirements and these requirements have been turned over to our architect, Mr. Rico Harris. The architect will develop plans, drawings, engineering specifications and estimates for remodeling the building. Dr. Coomer's estimates that the remodeling cost would total approximately \$175,000 to \$250,000. That sounds high, but if we were to spend \$100 to \$150 per sq.ft. for new construction of an 8,000 sq.ft. building for cosmetology (the Arts and Sciences Building cost was \$150 per sq. ft. in 2007-08) then it would run \$800,000 to \$1.2 million. The acquisition and remodeling of the CarQuest building for cosmetology programs would cost a great deal less than that.

If the Board approves the acquisition and remodeling, we will need to get a bank loan for the acquisition, an ADHE loan for the remodeling, and receive approval from the Arkansas Higher Education Coordinating Board. ADHE has revolving loans funds with current interest rates of less than one percent, but they are prohibited from lending to institutions for real estate acquisitions.

6. PREPARATION FOR HIGHER LEARNING COMMISSION REACCREDITATION

Ms. June Prince will provide a detailed update on our progress during the upcoming Board meeting. The writing of the self-study report is now complete. The HLC Visiting Team will be on campus for three days in the fall beginning on Monday, September 20, 2010. During the Team Visit, the members will be visiting with faculty, staff, students, members of the public and **members of the Board of Trustees** for the purpose of verifying all the findings in the self study. The team visit with the Board will be at a dinner meeting either Monday or

Tuesday evening on September 20 or 21, 2010. After the dinner meeting convenes, Ms. Prince and I will make introductions of the members of both the team and the Board and then we will excuse ourselves, because they will prefer that we not be present. In fact, the team members will have very little contact with administrators during the visit, although they will give us the courtesy of an exit interview to review their significant findings and their general impressions. We will likely know if they are going to recommend full, ten-year reaccreditation when they walk out of the door headed for the airport.

To prepare the faculty and staff for the team visit, we will conduct an "all hands" meeting to review the findings of the self-study report and review the kinds of enquiries that the visiting team members are likely to make. That staff meeting will occur on Friday, September 3.

We will have a briefing for the Board of Trustees during the rescheduled Board meeting (approved at the recent meeting on May 25) set for Tuesday, September 14, 2010 at 5:00 p.m. During this meeting, the Board will conduct regular business and receive a detailed review of the self study findings and some preparation for the visiting team.

END This concludes my report for this period. We look forward to seeing you for our 5:00 p.m. meeting on Tuesday, July 27, 2010. A light dinner snack with sweets and beverages will be available for you after 4:30 p.m. in the Board Room where we will have the meeting. Future Board meetings in 2010 are currently scheduled for September 14 and December 7. You are invited to be our official guests at the "Back to School" luncheon (grilled hamburgers and hot dogs with all the fixins) on Friday, August 13, 2010 at 12 Noon in the OTC Great Room.

Thanks again for your commitment, many contributions, and support.

Enclosure: Appraisal of the CarQuest Building

Arkansas Real Estate Appraisal Professionals, Inc.

P.O. Box 306, Malvern, AR 72104

April 12, 2010

Ms. Denise Austin
Summit Bank
608 East Page
Malvern, AR 72104

Re: Arkansas Performance & Supply, Inc.
1105 West Moline
Malvern, AR 72104

Dear Ms. Austin:

In accordance with your request, we have inspected and appraised the above referenced property for the purpose of estimating its market value.

The property site was inspected and photographed on April 12, 2010. The following report contains data gathered during my investigation and shows the method of appraisal in detail. Your particular attention is directed to the "Maximally productive use in the Highest and Best Use analysis, the "Limiting and Contingent Conditions" and the "Certification of the Appraisers" sections, and in particular to my remarks contained in the "Reconciliation" section of this report.

This appraisal report is designed to meet the minimum requirements of the Uniform Standards of Professional Appraisal Practice and Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989. In regard to the "Competency Provision" of the USPAP, I have appraised similar properties throughout the state, and consider myself qualified to do so.

My estimate of the fair market value of the unencumbered fee simple title of the above described real estate, as of April 12, 2010 is:

Three Hundred Seventy Eight Thousand and No/100 Dollars

\$378,000

Respectfully submitted,




Eric Hittenrauch
CG0717

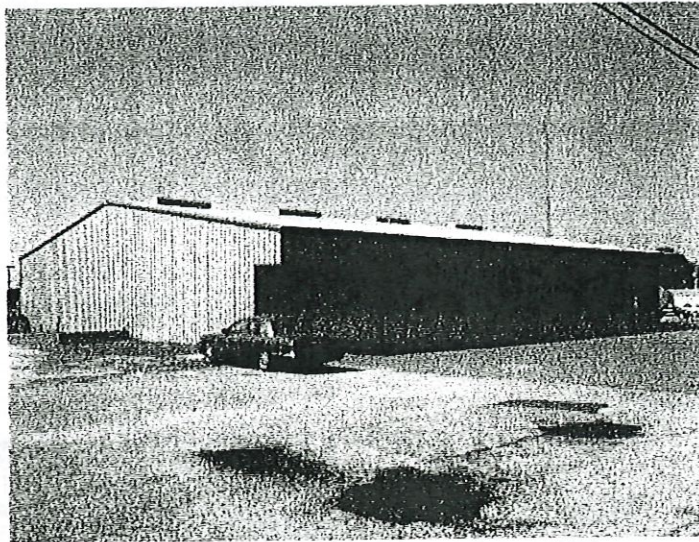
Description of the Improvements

General:

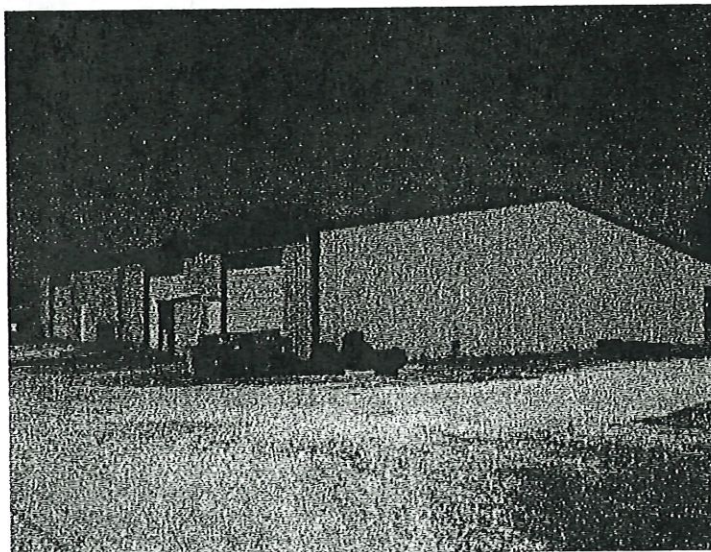
8,000 Square foot rigid metal frame on slab class "S" Automotive Service Center.

Approximately 12,900 square feet of asphalt paving.
Approximately 15,000 square feet of chip gravel.
Detached 2,200 square foot metal pole shed building

Photographs of the subject property

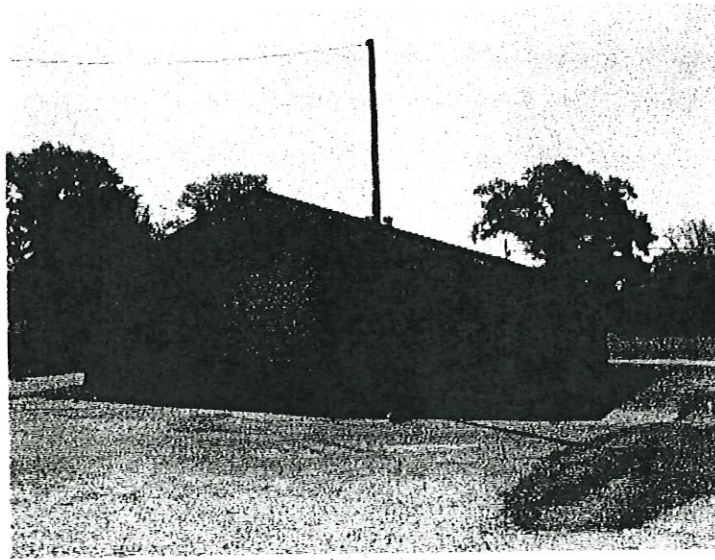


Subject Front



Subject Rear

Photographs of the subject property

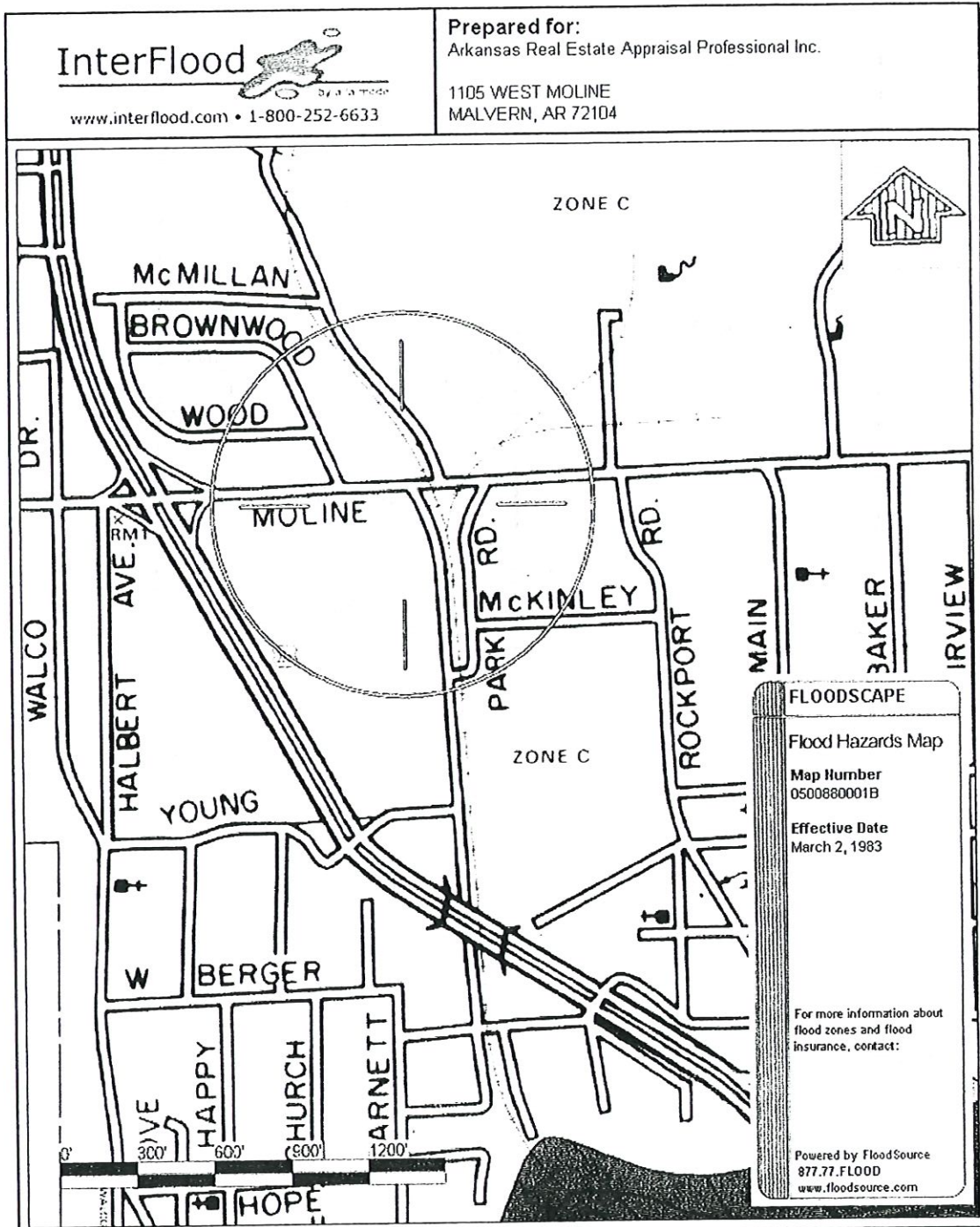


Pole Shed



Interior Retail Area

Flood Zone Map
 FEMA Community Panel 050088 0001 B
 Dated 03/02/83
 Zone C



© 1999-2008 SourceProse and/or FloodSource Corporations. All rights reserved. Patents 0,631,328 and 0,678,015. Other patents pending. For info: info@floodsource.com.