

Memo

To: Members of the Board of Trustees
From: Barry Ballard, President *BB*
Date: November 22, 2002
Re: Update on Various Issues

Below is a list of significant accomplishments about which I think you will be interested. The items are in no particular order.

1. **New Allied Health Building Construction Project Progress Report:** The focus of our building contractor is now on the foundation and floor. Foundation footings and piers have been dug and reinforcement steel has been placed and tied. Concrete forms have been built and set in place for the perimeter footing. The concrete for these items has been poured. The rough in electrical and plumbing for the floor was completed last week. The contractor has enjoyed very good weather in recent weeks and is now focusing on the floor. All the floor reinforcing steel and metal joint dividers are in place and it should be poured and finished today.

As you know, we had 20 straight days of cloudy weather in October and early November during which it rained a total of almost 6 inches on about 8 different days. About half of those cloudy days were lost workdays because it was raining or the site was too muddy. The sun has been shining so far for most of November and they are busy trying to get caught up. All the structural steel and metal for the roofing and skin siding will be delivered just before Thanksgiving. So, we should see steel erection on the finished floor during the first days of December if the rain holds off enough. The contractor indicated to us this week that he wanted the brick here on site by the middle of January. We have already been working with Acme on the brick and they have it scheduled for production next month in plenty of time.

2. We have submitted the newly approved College policy and procedure for capital construction to the Arkansas Department of Higher Education (ADHE) for approval. As you may recall, that policy document was approved during the last Board meeting. When it is approved by ADHE, we will notify State Building Services of the newly approved policy and thereafter we will no longer have to deal with them on construction projects below \$5 million. We will still have to deal with them on property issues and on building leases. For example, we lease the old USA Drug building on East Page Avenue in Malvern to house our Adult Education program. The annual Adult Education grant provides the money to pay the lease but SBS has to approve the lease and we have to use their lease contract documents.

3. At our August Board meeting you approved a resolution authorizing us to take steps to purchase the residential property on Park Street adjacent to the new Allied Health Building now under construction. Dr. Roger Coomer and I had an appointment in October with the owners, Mr. and Mrs. Marvin Thomas, for an inspection of the property and a discussion on the possible purchase. We told them that we were interested in purchasing the property for their asking price or the appraised value whichever is less. We told them that we functioned as a State agency and were required to follow State regulations and SBS procedures which included property acquisition at fair market value as determined by a licensed appraiser. A property appraisal would, therefore, have to be conducted. They understood what we said and we allowed them to pick one of the 3 licensed appraisers in Malvern. They chose Mr. Greg Griffin and Dr. Coomer contacted him and ordered the appraisal. Mr. Griffin contacted Mr. Thomas and set an appointment to inspect the property for purposes of the appraisal on October 28, 2002. Mr. Thomas then rescheduled the appraiser's inspection for the first week in November and we finally got the report last week. The appraiser valued the property at \$70,000 which is considerably less than the \$115,000 asking price that the owner originally mentioned.

I asked Dr. Coomer to transmit a copy of the appraisal to Mr. and Mrs. Thomas and to mention, in the transmittal letter, that we would be continuing with the SBS property acquisition procedures that will ultimately lead to the purchase of their property for the appraised value of \$70,000. Mr. and Mrs. Thomas will then indicate to us their willingness to complete the sale for the appraised value.

4. My wife, Mrs. Linda Beene Ballard (she uses Dr. Linda Beene as her professional name), was selected by the Arkansas State Higher Education Coordinating Board on October 17, 2002 to be the new Director of the Arkansas Department of Higher Education. As you may recall, the former ADHE Director, Mr. Lu Hardin, was hired in September as the new President of the University of Central Arkansas in Conway. Linda gradually transitioned from the Southwest Arkansas Technology Learning Center directorship to the new post during the first half of November and is now at her new post full time.

We plan to very soon buy a condominium or rent an apartment in Little Rock for Linda's use during the workweek. From our home in the middle of Hot Spring County to Linda's new office in downtown Little Rock, it is a 150 mile, 3 hour round trip drive which is too much for someone in such a demanding position to handle on a daily basis.

Neither the Higher Education Coordinating Board nor Governor Huckabee believes that Linda's service in that position would create a conflict of interest considering that I am President of one of the units of Higher Education over which the ADHE has jurisdiction. Both of us are appointed, have salaries set, report to, and have responsibilities determined by our respective Boards. Further, the main interaction between the two entities occurs when appropriations requests for the institutions are being recommended and when proposed new academic programs are being reviewed. Both of these processes involve the respective Boards and numerous professional persons and committees at both levels and the application of detailed policies and procedures. In fact, during the year that Mr. Hardin was an applicant for the UCA position several "Letters to the Editor" were published in the Conway newspaper which criticized Mr. Hardin for being an alleged hypocrite since he professed to being so interested in UCA's development yet he was unable to get any extra money for the institution beyond which was generally available to all institutions according to the ADHE formula and the regular operational funding that was made available to all institutions by the State Legislature. We are all looking forward to working with Linda in her new capacity.

5. We presented the OTC 2003-2005 appropriation request to the Legislative Joint Budget Committee and the Legislative Council on Wednesday, October 30, 2002 at the State Capitol in Little Rock. I made the presentation and Dr. Roger Coomer and Mrs. June Prince accompanied me. I asked Roger and June to be with me in the event we got sticky questions on the budget or on any of the student data that is reported. Sometimes we get questions from legislators out of left field. In this case we were allowed sufficient time to make our presentation and to go over the handout that I had shared with you at our last Board meeting. We did get about five questions from legislators, but they were all positive questions supportive of our request. Neither Rep. Bill Scrimshire nor Senator Steve Faris were in attendance. However, Senator Percy Malone from Arkadelphia made a short speech in our behalf lauding our efforts to work with business and industry in southwest Arkansas and to develop training programs needed for economic and industrial development. We felt that the presentation went well and that legislators were attentive and gave us a good reception.

We learned later that a special subcommittee has been appointed to review all of the requests for the higher education institutions and that it will expect representatives from the institutions to come back another time to answer

questions and to review proposed performance measures. The first of a series of late afternoon meetings will begin next Tuesday, November 26, 2002. We have not yet been told when we are scheduled to return but that the dates would be between December 2 and December 20, 2002.

The Governor released his proposal for higher education funding as part of his proposal to put on an additional 5/8 cent sales tax to also provide additional funding for public schools, teacher pay raises, prisons (including money to open the State Prison in Malvern during 2003 and to operate an expanded prison here in 2004) among other things. This week we learned that the Arkansas Supreme Court decided the Lake View case and supported all of the State Court's findings except for the mandatory pre-school programs. Many estimate that it will take all of the Governor's proposed tax just to solve the Court's mandate. We will be lucky to keep our current level of funding in light of the Court's decision and the revenue situation.

The following is the general procedure that will be followed to get funding for OTC in the 2003-2005 biennium:

- A. We submit our request and justification for funding to the Arkansas Department of Higher Education (ADHE) which we did this past spring and summer. The requests are for operating funds and funds for capital (equipment, major facility modifications, and new construction).
- B. ADHE staff reviews all the requests from the 34 institutions and compares them against priorities previously established by the State Higher Education Coordinating Board (State Board) and presents its recommendations to the State Board by July 1.
- C. The State Board meets in late July to consider the recommendations of the staff and to adopt the official recommendation for the funding of all higher education in the state after which it is sent to the Governor and to the Legislature. When the State Board met this past July, it accepted almost all of the staff recommendations but not those that pertained to funding of the two-year colleges. For the two-year colleges, the State Board recommended to increase the staff recommendations by an amount necessary to restore the 30% that had been lost from revenue shortages in the Workforce 2000 funding. OTC has lost about \$200,000 per year from this one source.
- D. The Governor and staff never work on the Executive recommendations much until after the general elections in early November but then crashes on it because of a requirement to present them to the Legislature before the end of the year.
- E. The Legislature receives the requests for the funding of the colleges in July then starts its hearings on those requests in October. It receives the Executive recommendations from the Governor around Christmas then assigns the responsibility for a Legislative recommendation, in the form of

appropriation bills, to the Joint Budget Committee (JBC). All appropriations bills for each individual institution and agency are then drafted and sponsored by the JBC. As the individual appropriations bills are drafted, reviewed, and passed out of the JBC during the legislative session, one by one during January and February, they are then voted on by each House and sent to the Governor for signing. But, the appropriations bill does not provide us with the funding, only an authority to spend funds (including the tuition, fee, and grant funds we get ourselves). The appropriation bill does not provide the state funds themselves.

- F. The last step the Legislature takes in April, right before it adjourns, is to pass the Revenue Stabilization Bill which, when signed into law by the Governor, becomes the Revenue Stabilization Act (RSA) that actually provided the state funds beginning July 1, 2003 and running through June 30, 2005. How we are treated in that revenue law makes a big difference on how well we do for the next two years. We want all of our operating and capital appropriations to be funded in the "A" category of the RSA. The more of an appropriation that is allocated to categories "B" and "C", the less likely they are to be funded.

It is a long and convoluted process that determines our future financial well being. And, it is one that is filled with a lot of unknown variables, including political variables (is OTC in or out of favor, is it in a category that is or is not a state priority, does it have strong political supporters and sponsors or enemies, etc.) and revenue variables (is the economy growing or weakening, are we in a bull or a bear market, is the revenue forecast good or bad, are we going to war or not, will there be peace or devastating terrorist strikes, etc.).

You can help improve our funding picture by talking about OTC with the Governor and his staff and with members of the legislature. Just keep reminding them that we are very successful in our mission to serve the higher education and job training needs of the community and state, that our enrollment has been growing ever since we became a college in 1991 even doubling in the last 5 years (+20% last year and +30% this year alone) but that our state funds have leveled off and even dropped in the last 4 years. Funding at OTC is more like an investment in employment and economic development rather than a social cost.

6. The State Coordinating Board of Higher Education several years ago expressed an interest in getting better acquainted with local boards and the operation of the individual institutions. In response to that interest, it developed a program whereby every member of the State Board is assigned to visit the board meetings of two or three institutions. Every institution is assigned to one of the State Board members. Recently, the Governor appointed new State Board members and the institutional assignments for all of them have been changed. The priority for the assignments was, apparently, geographical proximity.

The State Board member assigned to the Ouachita Technical College is Mr. Jodie Carter, 5921 Timberview Road, Little Rock, AR 72204-8559. I will be sending an invitation to attend all of our Board of Trustee meetings to Mr. Carter along with agenda materials. Hopefully, he will be able to make some of our meetings and we will have an opportunity to get to know him better and to inform him about the contributions OTC makes to the citizens of our service area and the state.

7. The Lynette Smith lawsuit has been dismissed by the Federal Judge. On November 1, 2002 Judge Robert Dawson ruled on our motion for summary judgment and indicated that the lawsuit and all claims are DISMISSED WITH PREJUDICE. As you may recall, Lynette Smith, an African-American female nursing instructor, filed suit alleging race and sex discrimination in employment and retaliation in violation of Title VII of the Civil Rights Act of 1964. Judge Dawson's twenty-page order dismissing the suit is enlightening and educational in regard to current Federal law. Some of the most relevant sections of the order include 1. "...not everything that makes an employee unhappy is an actionable adverse action. Rather, an adverse employment action is exhibited by a material employment disadvantage, such as a change in salary, benefits, or responsibilities (of which there were none proven in this case)", 2. "...an oral reprimand, which was not reduced to writing or otherwise reflected within Smith's personnel file, is insufficient to show a material employment disadvantage. To be sure, no one likes to be told she is wrong. However, at times it may be necessary for an employer to point out an employee's mistake and ask that rules be followed in the future.", 3. "...we fail to see how being questioned about another employee's complaint constitutes an adverse employment action within the meaning of Title VII...especially since Smith was questioned in private by her supervisors, and she was not disciplined in any manner or subjected to a corresponding change in salary, benefits, or responsibilities. As Smith cannot establish a prima facie case of discrimination or retaliation..., the motion for summary judgment must be granted."; and finally 4. "... (though) Smith ...consistently complained of ...acts of discrimination and/or retaliation... We do not read either of the EEOC charges or ...the several versions of (her) complaint to allege a hostile work environment claim involving repeated conduct. However, even if we were to infer such a claim, summary judgment would be appropriate. The record simply does not support a finding that Smith's workplace was (so) permeated with discriminatory intimidation, ridicule, and insult ...that a reasonable person would find (it) hostile or abusive."

If you would like to read or have a copy of the dismissal order, please let me know. We are very happy about this decision. Our attorney, Mrs. Lori Freeno worked extremely hard, filed many motions and documents with the court, prepared us and herself for an ugly trial and exhibited an extremely high level of professionalism, competence, and diligence. We would be happy to have her as our defense attorney anytime. This is the workweek that was originally scheduled

for the trial. I am happy that I was able to spend it in constructive pursuits of institutional and community development.

8. The Legislative Audit of the former President's leave records in early 2001 found that the records were incomplete and inaccurate. It was reported that the former president abused leave and did not follow normal institutional policies and procedures on the use of earned leave and on leave record keeping and reporting. Based on the audit finding and at the urging of the Legislative Joint Auditing Committee in 2001, the Board, through Chairman Lacy Landers, committed to periodically reviewing the president's use of leave and leave records.

We have had two audits by State Legislative Audit staff since that time. One audit has been formally reported and reviewed by the Legislative Joint Auditing Committee and the other is pending a formal report. Dr. Coomer and I have had exit interviews with the State Auditors both times and no leave record keeping problems have been identified or mentioned. The auditors who conducted the two recent audits are the same ones that found and documented the earlier leave improprieties by the former president.

Upon learning of these problems at the time I was hired, I committed to following all of the College operating policies and procedures including those related to the use of earned leave and leave record keeping. All during my employment, every hour of leave usage has been documented on a leave request form and then reported on a separate monthly leave report form as is required of all College employees. All of these leave request and monthly report forms have been processed on a timely basis and signed by the Chairman of the Board of Trustees, Mr. Pete Paladino and, before him, Mr. Lacy Landers. Attached to this memo is a copy of the summary report of my leave records for your review. This summary report is prepared for all employees every month based on leave request forms and reports which have been signed by a supervisor and turned in to Mrs. Vickie Boyette, Payroll Officer. Mrs. Boyette maintains the leave records and prepares all of these reports and files them in each employee's personnel file as a routine part of her job.

This report dated 10-31-02 shows how much leave I have earned and how much leave I have taken in all three categories – vacation, sick, and holiday. This particular report shows that at the end of October 2002, I have 97 hours of unused vacation time, 82 hours of unused sick time, and 8 hours of unused holiday time. If you have any questions about this feel free to ask Dr. Coomer, Mr. Paladino or me.

Memo

To: Members, Board of Trustees
From: Barry Ballard *JBB*
Date: September 18, 2002
Re: Update on Various Issues

Below is a list of significant accomplishments about which I think you will be interested. The items are in no particular order.

1. New Allied Health Building Construction Project Progress Report: There is a serious amount of dirt work being accomplished by our contractor on the construction project. The base soil under the site was primarily a type of clay that is very unstable (swells when wet, shrinks when dry, moves, etc.) for a foundation and slab floor.

The solution was to remove and store the topsoil for future use, dig out about 4 feet of the clay material and remove it from the site to the back of the campus where fill is needed, and bring in about 6 feet of high-lime content fill containing gravel and rock. It will then be topped with about 1 1/2 feet of red clay/sand/ mix that plumbing and electrical contractors can easily trench to receive the lines, pipe and conduit for the utilities. The slab floor will then be poured on top of that.

Plumbing, electrical, and foundation work will begin later this week. Included in this will be the laying of a six-inch water line from the back of the campus, south along the lower side parking lot to a spot near the location of the ground breaking ceremony, terminating with a new fire plug and a distribution box. A smaller water supply line will then be run in a westerly direction into the new building. The good news is that after waiting for such a long time to get the building started, we are finally making very good progress.

Some not so good news is that we have had a lot of complaints from our residential neighbors about the noise, dust, and traffic congestion caused by the construction equipment. I received two complaints yesterday from residential neighbors who live

just west of the campus across the railroad tracks and Park Street. They had called the mayors office. They were complaining about too much dust from our construction site. The two calls came in between 1:45 p.m. and 2:05 p.m. At 2:10 p.m. the contractor, at our request, is applying water to the site and the dust was gone by the time I sent a message back to the mayor. We are trying to keep everyone happy.

Mr. Marvin Thomas our immediate neighbor on Park Street has complained almost daily. We are doing everything we can to respond to his concerns. His property gets considerable surface water off the parking lots and from the storm drains from our buildings when it rains a lot in a short period. He frequently reminds us of what happened once when a 10-inch rain came. We all get too wet when a 10-inch rain comes. He says the water off our property flowing toward the west and his house almost came in his back door that time.

The new building will be 15 feet from his eastern property line according to code set-back requirements and we will have a 3 foot wide ditch around the building and between his property and the new building to help channel the surface water away from his property. The water off the new building will be piped away from his property using French drains. Additionally, we have used some of the excess dirt off the site to build a short berm along and just outside his east property line separating his property from that of the college. The berm runs almost the whole length of his eastern boundary and will be a barrier to channel the surface water away from his property toward the east and toward the new drainage ditch that will be built. Now his wife has complained about the dirt wall. We will keep trying to please everyone.

2. Related somewhat to the construction project and the complaints from the neighbors is a possible opportunity for us to buy the property located next door from the campus and the site of the current construction site. This residential property adjacent to the campus to the west at 1011 Park Drive is deemed valuable to the long-term growth, expansion and future campus access needs of the College. This property at 1011 Park Drive is owned and occupied by Mr. and Mrs. Marvin Thomas. They are unhappy about having the College as their neighbor and have made numerous complaints recently and over the years about the campus landscaping, surface water that flows off of campus parking lots and from storm drains toward their property, and construction noise and dust.

Their residential property consists of an 1800 square foot frame house built in 1959 with three bedrooms, a bath, a kitchen, a living room, and a large den is on one acre of land more or less. Mr. and Mrs. Thomas have indicated to us that they would like to move and would sell their property to us for an asking price of \$115,000.

The College has the resources to purchase the property from its fund balance after which the property would be listed as a real property asset. So, at our next Board meeting, we will ask you to authorize us to execute an offer and acceptance to purchase from Mr. and Mrs. Marvin Thomas the property at 1011 Park Drive, Malvern, Arkansas

71929 for the asking price of \$115,000 or the appraised value whichever is less. We will also request authorization to secure the professional services of one or more licensed real estate appraisers to appraise the value of the property, to execute the required closing documents, and to disburse the necessary funds from the College's fund balance to complete the purchase.

3. Our Fall Semester has ended up with a very big enrollment increase. Enclosed is a preliminary enrollment report we just received from the Arkansas Department of Higher Education. Ouachita Technical College is midway down the list in the bottom half of the report under "OUTC." Compared to the senior institutions, the two-year colleges look real good and OTC looks fantastic. This report is not the final count but it is close.

We have learned this week that we may have about 100 additional concurrent enrollees from a local high school to put in before the final snapshot is taken. As it is now, our enrollment is at 1,254 which is a 29.5 percent increase. Our growth is the second highest in the state. Our count on student semester credit hours is up an identical amount. We are very pleased about our growth but it presents a big financial challenge for us. We believe the growth is a result of three things that includes 1. our growing reputation as a quality community college, 2. our improving relationship with high school principals, counselors and superintendents, and 3. the State's loss of the Academic Challenge Scholarships because of revenue shortfalls. We believe that if the Academic Challenge Scholarships had been funded this year that a number (25-35) of very bright locals would have gone to the universities instead of staying home and going to college here.

4. The Lynette Smith law suite case has progressed to a new stage. I attended depositions of the plaintiff and her major witnesses the week before last. It was very enlightening. Both plaintiff and defense attorneys were there and we learned a lot about the plaintiff's case. As you recall, the cut-off date for discovery is 70 days before trial. That is now passed. And, the cut-off date for motions is 60 days before trial. The Court has set the trial to begin on Monday, November 18, 2002. Therefore, the cut-off date for motions is today. Ms. Lori Freno, Assistant Attorney General, our defense attorney, remains optimistic that the complaint will be dropped by the plaintiff or dismissed by the Federal Judge sometime before trial. She believes that the complaint and their case are flawed in numerous ways.

The flaws in the plaintiff's case are enumerated in our "Brief in support of Motion for Summary Judgment" which will be hand delivered to the Federal Judge's office today. I believe our motion for summary judgment is very strong. We listed five good reasons and provided on-point case law as to why the lawsuit should be dismissed. If the judge agrees with any one of the five reasons, the case can be dismissed. Ms. Freno always reminds me to tell you that you are welcome to call and visit with her directly about the case at phone 501-682-1314.

End

Memo

To: Members, Board of Trustees
From: Barry Ballard
Date: August 21, 2002
Re: Update on Various Issues

Below is a list of significant accomplishments about which I think you will be interested. The items are in no particular order.

1. We believe that we finally have the construction details and costs for our Allied Health Building within the \$1 million construction budget. For the last month we have been working with the low-bid contractor (Marco Construction Company, Butch Martin, President) with our architect (French-Harris Architects, David French, President) and with the various professional engineers that have to approve the changes. We have now filed a form called the "**Notice of intent to award contract pending negotiation**" with State Building Services (SBS) whose approval we will need on all the changes. SBS has recently indicated that they will approve just about anything that the engineers have approved. Dr. Coomer and I will have a final pre-contract meeting next Monday with Butch Martin and David French to finalize the budget and the contract. We plan to have it ready for your consideration and approval the next day at the Tuesday afternoon Board meeting.

2. We have scheduled a groundbreaking ceremony at 4:30 p.m. on Tuesday afternoon just before the Board meeting. The Board meeting will have a slightly delayed start at 5:15 p.m. I have enclosed an agenda for the ceremony for your information. Those listed on the agenda to make brief remarks have all been contacted and have committed to be on the program. We will advertise the event in the newspaper and invite the general public. We will also send written invitations to all members of the Malvern/Hot Spring County Chamber of Commerce, all members of the Hot Spring County Industrial Development Corporation, all OTC employees and members of the local media. We will conduct the ceremony at the construction site in the tree shade. We have arranged for a public address system, plenty of shovels, and ice water enough for dignitaries and

guests alike (it will probably be near 100 degrees heat index). In the event of rain, we will move the ceremony to the entrance foyer of the main building.

3. In addition to working with the contractor and architect on building detail changes to reduce costs, we have also been working to get some major donations to alleviate costs. I am happy to report that we have had some success. Several weeks ago Mr. Paladino and I went to visit with the management of the Acme Brick Company here in Malvern. We were warmly greeted but advised to talk with upper management in Little Rock. We learned that the top manager in Little Rock had a good relationship with our own Senator Steve Farris. Senator Farris was glad to help us. As you may recall, he was formerly the chairman of the OTC Board of Trustees before going into elective politics. He set up a luncheon meeting with the Acme management in Little Rock and accompanied me to it.

During the meeting, which was at noon on Tuesday, August 20, 2002, we shared with their top two managers how 1. OTC had grown in the last dozen years, 2. It now serves almost 3,500 persons in its service area through its various programs (college, continuing education, adult education, industry training, and area high school center), 3. We have had continual increases in enrollment and, at the same time, decreases in funding, 4. Important this new building is to our ability to accommodate a growing enrollment and address a critical shortage of trained medical workers, and 5. Our architect and contractor have recommended only a small amount of brick on the building's exterior as one way to get the construction costs within our budget. We told them that we would much prefer to have bricked buildings because of the uniformity in the appearance of campus buildings, the long life of bricked buildings, and the low maintenance costs. But, we also told them that we must consider the \$52,000 savings that the alternative would provide.

They talked with us at length about all the good reasons why campus buildings should be bricked. They indicated that they were pleasantly surprised at the fine success and growth that the institution had experienced. They said that they were very committed to Malvern because of the several hundred employees that Acme has here and because of the long-term commitment they have to their plants here. They also concluded that OTC is special and deserving of assistance from them because of the contributions it makes to the citizens of the community and to the local economy. We dialogued about the several ways that they could help us and they committed to providing some help. They said that they would discuss it among themselves, review their inventories, sales, and production schedules and let us know what they will be able to do in just a few days. Before the meeting ended we expressed great appreciation for their time and consideration and indicated that we would welcome any assistance they could give. The meeting lasted about two hours. We were very impressed with how warmly we were received and how sincerely considerate they were of our situation.

After the meeting was over, we privately discussed what we think we heard them say and speculated as to what we think they will do. We concluded that they will likely give us about half of the needed brick for the entire building and sell us the other half at a

deep discount. The budget as it stands now contains enough money for a four-foot high brick wainscot with a Dryvit-like material above that. If they will help us as we think they might, we will have enough in the budget to brick the building completely. The value of their likely assistance will be close to \$30,000. That is a major contribution. We are hoping and praying that it will come through.

4. We just received a report that indicates state revenues are better than earlier thought. The Arkansas Department of Finance and Administration (DFA) has released a report indicating that July revenues were above forecast for the second month in a row. According to the DFA report, net available general revenue was \$245.6 million, an increase of 3% above the same time last year and, more importantly, 2.6% above the June 6 forecast on which we were required to base our budget. In June, the revenue was 5.2% above the forecast.

In a press release by Governor Huckabee the forecasters were praised and he was quoted as saying, "That's good news for those of us who guarded against premature budget cuts while also avoiding tax increases." "The fact that net available general revenues for July were 3% above July 2001 and 2.6% above forecast confirms that the economy is turning around," he said. Governor Huckabee also indicated that Arkansas had recently been ranked as one of the top 10 states in the nation in an index of economic momentum as reported in a recent quarterly issue of **State Policy Reports**. The index ranks states on recent performance in the areas of employment growth, personal income growth and population growth.

5. It looks like our Fall term enrollment is up. Way up! I was prepared for an enrollment decrease and thought we could justify it politically as a result of limiting enrollments (by increasing the minimum number required for a small classes to 12 students), laying off five employees, raising tuition to make our FY2003 budget work, and having our state money cut by some \$200,000 compared to last year. I was thinking our enrollment should be around 850-900. Our record enrollment number for any previous Fall term was last year, 2001, and it was 968 students with 8,168 student semester credit hours (SSCH) generated. The amount of student semester credit hours (SSCH) generated is a measure of productivity of instruction for institutions of higher education. The Department of Higher Education divides our annual SSCH production by 30 to determine the number of full time equivalent (FTE) students we serve each year and their funding recommendations are based on it.

For this Fall, we have already enrolled 960 with an astonishing 9,816 SSCH generated. And, so far, we have not done any input of the many students that are in some 15-18 courses of concurrent instruction that we are offering in about 10 high schools in our service area. I am now thinking that we could have a Fall enrollment of about 1,200 which would be a headcount increase of some 25%. Last week we cancelled about two dozen classes that had small numbers in them. I thought we would lose a lot of those students. Most of those students in the cancelled classes simply enrolled in a different course! Our enrollment is looking very good.

6. I reported to you last month that we had been considering a relationship with Franklin University of Columbus, Ohio. Franklin has created a Community College Alliance (CCA) program with 173 community colleges in 23 states participating. We have decided to participate in the Alliance program. Three other Arkansas colleges have also joined and they include Cossatot Community College of the Univ. of Ark. at DeQueen, SAU Tech at Camden, and Mid-South Community College at West Memphis. The Alliance makes it possible for OTC graduates and other citizens in our community who may have a few years of college but no degree to pursue the completion of a bachelor's degree in seven different majors including Business Administration, Computer Science, Digital Communication, Management Information Sciences, Health Care Management, Public Safety Management, and Applied Management. Students in the program will be able to get a bachelors degree by completing additional courses in general education and related technical specialty areas at OTC at our low tuition rate followed by 40 semester credit hours of upper division course work on-line over the Internet and never have to leave our campus here in Malvern.

Franklin University is an independent senior college that is over 100 years old and located in Columbus, Ohio. It has about 8,000 students on campus in Columbus and about 2,000 students from around the country enrolled in on-line courses. It is accredited by the same accrediting association that accredits OTC and all public colleges and universities in Arkansas – The Higher Learning Commission of the North Central Association of Colleges and Schools. It has a special status with the U.S. Department of Education as an innovative institution serving students in non-traditional programs. Franklin is one of the few universities in the country selected by the U.S. Army to offer college courses via the "e-Army On-Line" program that plans enroll up to 80,000 enlisted personnel in college degree programs.

We believe that the Alliance affiliation will allow OTC to expand its services to the citizens of the community and to business, industry and government. OTC will be in a better position to meet the higher education needs of the community with the services and programs that the Alliance partnership will provide. We will be able to admit students into this program in just the next few months after the appropriate faculty and staff here have been trained. It is believed that a number of our own staff will choose to further their education through this program with Franklin University. Enclosed are some additional materials about Franklin University and this Alliance program.

7. We are entering the next phase of the Lynette Smith lawsuit. I talk frequently with our defense attorney, Lori Freeno, Assistant Attorney General, about this case. The plaintiff and defense attorneys will be meeting over the next two weeks and deposing witnesses including the plaintiff in the case. I may attend some of those depositions. The "discovery" phase of the trial has a September 5, 2002 cutoff date, so, a lot will be happening in the next few weeks.

We have completed the "initial disclosure" phase where the names of witnesses who know the facts have been identified for both sides and where copies of documents that will be used as evidence by both sides have been exchanged.

Our attorney remains confident that the case will be dropped by the plaintiff or dismissed by the Federal Judge sometime before trial. She intends to file for a "Summary Judgment" around the middle of next month. She believes that Smith's complaint is not based on issues that were reviewed by the EEOC, and that the plaintiff failed to file an EEOC complaint related to the incidents described in their disclosures on a timely basis. Smith only has the legal right to sue on EEO issues if those issues were raised in a complaint to the EEOC within so many days of the incidents which caused the possible violations and if the EEOC has reviewed that related complaint with no findings and issued a "right to sue" letter.

As you know from my previous reports, the Court has set the trial to begin on Monday, November 18, 2002. The cut-off date for discovery is 70 days before trial. And, the cut-off date for motions is 60 days before trial. The pre-trial conference report is due from the lawyers by October 18, 2002. This report identifies, for the court, all the witnesses, documents, and other evidence that will be introduced at trial. Ms. Freno always reminds me to tell you that members of the Board are welcome to call (501-682-1314) and visit with her directly about the case.

There are many other good things about which I could write if time and space would permit. Though we continue to have some staff and financial challenges, we are growing, expanding our services, and making improvements in many areas. Please call me if you have questions.

Memo

To: Members, Board of Trustees
From: Barry Ballard *JB*
Date: June 6, 2002
Re: Update on Various Issues

Below is a list of fairly significant things about which I think you will be interested. The items are in no particular order.

1. We finally received approval from State Building Services to advertise for general contractor bidders for our new allied health classroom building. We begin advertising today and will allow bids to be received for 4 weeks or until 2:00 p.m. on Wednesday, July 3, 2002 at which time we have been authorized to open bids. We plan to have a recommendation for you by the end of that day and will send a mailed ballot to you for approval.

There will be a pre-bid conference at 2:00 p.m. on Wednesday, June 19th here on our campus at the job site conducted by our architect and SBS personnel. We will soon have a copy of the plans and documents here on our campus on reserve in the Library. Additionally, any prime bidder may obtain a complete set by contacting Digital Print, 340 Ouachita Avenue, Hot Springs, Arkansas, phone 501-609-9134 and paying a deposit of \$150.00 which will be refunded to those returning them in good condition within 10 days after bid opening.

We do not yet have Malvern City Council approval on our rezoning request from I.2. - Light Industrial to C.2. - Neighborhood Commercial, which is the appropriate designation for a school. We have advertised, waited the proper time, contacted those neighboring property owners affected and now have an approval recommendation by the Planning Commission. We do not anticipate any problems getting City Council approval.

If you know of any qualified contractor who might be interested in our project, please let us know and we will get the information to them. We hope to have 10 or 12 bidders on the project.

2. All this past year we have been talking with political, business, industrial, and education leaders in the Arkadelphia area and several good things are coming out of it. First, we have been asked to work with them on the establishment of career and technical programs that would serve students from several area high schools much like our high school area center works here. We have been in touch with the State Workforce Education Department (WED) that provides approval and money for such programs. The WED staff want to work with us on such an endeavor and have recommended that we consider developing what they call satellite programs of our existing high school area center. They say it is much easier to get State Board approval for satellite programs than for a whole new center. We will continue to work with them this summer and coming fall to identify one or more programs that we will apply for before the October cut off date. I told them that we are willing to help them start new programs and in other ways but not in any ways that would cause us to take resources from this campus and put them in Clark County. They accepted that and will work with us to get the needed resources to operate quality programs from state, local or grant sources.

3. Another thing that has come out of the Arkadelphia discussions are requests for expanded educational opportunities that we could offer to high school students using concurrent enrollment courses. These concurrent enrollment courses permit a more able high school student to meet the requirements for graduation from high school and, at the same time, earn college credit. Typical courses would include Freshman Composition I and II, College Algebra, Plane Trigonometry, and General Psychology among others. We have not worked out the details on which specific courses they want taught. There are potential political problems with Henderson State University but we would work those out in advance of any course offerings. We might also try an on-line, web-based course as their administrators have shown interest in that delivery format.

4. Another Arkadelphia, Clark County success story is that we have worked out with the staff and board of the Southwest Arkansas Technology Learning Center (SWATLIC) the delivery of an Associate of Applied Science Degree program in Manufacturing Technology with an emphasis in industrial maintenance. SWATLIC is associated with Henderson State University but has a separate Board of Directors including Rick Izor, Plant Manager of Scroll Technologies who also chairs the SWATLIC Board; Percy Malone, State Senator; Brown Hardman, President of Clark County Industrial Council; Dr Charles Dunn, HSU President; Dr. Andy Westmoreland, President Ouachita Baptist University; Tony Prothro, Superintendent Arkadelphia Public Schools and Dr. Linda Beene Ballard, Executive Director.

Technically, this is an industrial consortium that delivers programs and services that are determined by the needs of business and industry. Thanks to the coordination by Dr. Linda Beene Ballard, the personnel managers of the manufacturers in Clark County met with our Bob Washington and Milton Purdy, OTC Chair of Applied Science numerous times this past spring to work out the courses in the program. We have an existing Manufacturing Technology with enough electives that allowed sufficient customization to

meet their needs. Additionally, we had been offering Associate of Applied Science degree courses in the plant in Arkadelphia at Scroll Technologies since 1999 and a number of their employees qualify for graduation this year.

The SWATLC Board conducted a press conference Tuesday afternoon June 4, 2002 to announce the new program. Representatives from two radio stations and the local newspaper covered the announcement. Dr. Beene said they had very good coverage in the media and I will send to you a copy of the newspaper account of it after I get a copy.

SWATLC currently has an 8,000 square foot training center under construction in downtown Arkadelphia in the area damaged by the tornado. When completed later this year, the center will provide permanent classroom, laboratory and shop facilities for computer and industrial training. Senator Percy Malone was able to get State Funding for SWATLC through a legislatively appropriated capital improvement project and got it attached to HSU. In the upcoming legislative session, beginning in January 2003, Senator Malone will seek to get permanent funding for SWATLC as an operating unit of HSU.

5. The Federal priorities for the use of Perkins grant money that OTC gets through the Arkansas Department of Higher Education (ADHE), about \$55,000 this coming year, has changed with the Bush Administration. The new emphasis is serving non-traditional student populations, which means they want more women and minorities in occupations and occupational training that have, heretofore, been dominated by white males. The ADHE staff that administer the grant funds at the state level, have suggested that we use the money for the recruitment and retention of women and minorities in non-traditional fields. We are, therefore, developing a plan to use the money and meet the compliance requirements of the grant by hiring and training a qualified counselor to work in the recruitment and retention of women and minorities among other things. We will have more details as they develop. Our plan will have to be approved by the ADHE but we believe that the approval can be secured so that we can advertise the vacant position sometime in early July for a mid-August start date.

6. We have been reviewing a proposal by Franklin University, Columbus, Ohio to join a Community College Alliance (CCA) program. Franklin University currently has 173 community colleges in 23 states participating in the Alliance program. The Alliance would make it possible for OTC graduates and other citizens in our community who may have a few years of college but no degree to pursue the completion of a bachelors degree in six different majors by completing additional courses in general education and related technical specialty areas at OTC followed by 40 semester credit hours of upper division course work on-line over the internet and never have to leave our campus here in Malvern.

Franklin University is an independent senior college that is over 100 years old and located in Columbus, Ohio. It has about 9,000 students on campus in Columbus and about 3,000 students from around the country enrolled in on-line courses. It is accredited

by the same accrediting association that accredits OTC and all public colleges and universities in Arkansas – The Higher Learning Commission of the North Central Association of Colleges and Schools. It has a special status with the U.S. Department of Education as an innovative institution serving students in non-traditional programs and can sign off on a waiver allowing them to provide Federal student financial aid in their on-line programs. They also are one of the few universities in the country selected by the U.S. Army to offer college courses via the “e-Army On-Line” program that will attempt to enroll up to 80,000 enlisted personnel next year.

Their six B.S. Degree majors include 1. Applied Management, 2. Business Administration, 3. Computer Science, 4. Health Care Management, 5. Management Information Sciences, and 6. Public Safety Management. The University also has a Masters Degree in Business Administration that it offers entirely as an on-line program. Two other Arkansas community colleges have already joined the Alliance - the Cossatot Community College of the University of Arkansas at DeQueen, Arkansas and the Mid-South Community College at West Memphis, Arkansas. The University already has the six B.S. Degree programs mentioned above approved by the State Board of Higher Education.

The OTC Executive Committee and department chairs believe that the Alliance affiliation will allow OTC to expand its services to the citizens of the community and to business, industry and government. OTC will be in a better position to meet the higher education needs of the community with the services and programs that the Alliance partnership will provide.

7. The Lynette Smith law suite case has progressed to a new stage. Both plaintiff and defense attorneys have met to agree on the various dates required in the Federal Rules of Civil Procedure. The Attorneys have agreed to begin initial disclosure on July 15th, written requests for names of witnesses who know the facts and for documents will begin to be drafted right away. Depositions will occur in mid-August. The cut-off date for discovery is 70 days before trial. And, the cut-off date for motions is 60 days before trial. The Court has set the trial to begin on Monday, November 18, 2002. Ms. Lori Freno, Assistant Attorney General, our defense attorney, remains optimistic that the complaint will be dropped by the plaintiff or dismissed by the Federal Judge sometime before trial. She believes that the complaint and their case are flawed in numerous ways. Ms. Freno always reminds me to tell you that you are welcome to call and visit with her directly about the case at phone 501-682-1314.

There are dozens of other good things that I could write to you about if time and space would permit. Though we have some staff and financial challenges, we are making improvements in many areas. Please call me if you have questions.

Memo

To: Members of the Board of Trustees
From: Barry Ballard
Date: May 1, 2002
Re: Special Board Committee Meeting, Tuesday, May 7, 2002, 5:30 p.m.

The items below are pertinent to the special meeting next week. We will need for you to meet first as the Academic Committee, Mrs. Kristi Norris, Chair, to review a new program proposal for the Associate of Arts in Teaching Degree. We have enclosed the complete program proposal and course outline for your consideration. Dr. Susan Azbell will be making the presentation on the program. If the Committee approves the program, then the Board will formally adopt the resolution approving it at the Board meeting on May 30, 2002.

Second, we will need to have you meet as the Finance Committee, Mr. Dale Jenkins, Chair, to review the proposed FY2003 operating budget. Dr. Roger Coomer and I will make the presentation on the budget. We have enclosed a copy of the detailed budget and related materials for your consideration. If the Committee approves the budget, then the Board will formally adopt the resolution approving it at the Board meeting on May 30, 2002.

As Dr. Coomer mentioned at our last Board meeting, the total forecast State revenue is about \$150,000 below what we received this year. Additionally, we believe that a raise is badly needed because our salaries are already among the lowest of any two-year college in the state. We are recommending a two percent raise that will cost \$85,333 including the associated costs of benefits. I will explain more in detail at the meeting why we believe a two percent raise is justifiable. So, the main question then becomes, how do we balance the budget with \$150,000 in less revenue and increased costs for salaries and benefits of \$85,333? The following are the four main ways we are proposing to reduce costs or increase revenues to make the budget balance:

1. We recommend that we lay off some people. I have asked each of the vice presidents and deans to identify positions that are the least essential to the effective functioning of the College. As a result, we recommend that we make the following changes:
 - A. Not renew the contract of one professional – Chief Student Officer and Affirmative Action Officer (AAO), Mr. Allen Bray incumbent, earning \$31,457, employed since 1997. He also is the Director of Evening/Extended Programs and the Student

Grievance Officer. His duties will be reassigned. Rhonda Smith is now receiving training to be a certified AAO.

- B. Not renew the contract of one classified staff member – Secretary II for Extended/Evening Programs, Mrs. Janyce Butler, Grade 13, earning \$28,311. She is an African-American female with 29 years of service to the school. Her duties can be reassigned.
- C. Cut out 3 weekend security workers who were frequently handled by paying overtime and extra-duty pay to existing maintenance and custodial workers. These will be replaced with 3 part-time custodial workers earning minimum wage who will have specific custodial and maintenance duties and will also include some security work.

We estimate that the savings from salary and benefits for these personnel changes will save about \$90,000 per year.

- 2. We will raise the minimum class size to 10 students for the Summer Terms and 12 students for the Fall Term and terms thereafter. Canceling small classes will be handled on an individual class basis, as some will need to be run when there are students who need the course to graduate within a term or two. This will save some expenses for the supplemental pay of regular faculty teaching overloads and for associate faculty. This could save about \$50,000
- 3. The increase in tuition and fees will increase revenue an estimated \$86,000.
- 4. The enrollment in the Area High School Career Center will result in revenues estimated to be some \$64,000 over current levels.

We will talk in more detail about the issues related to these measures at the meeting. If you have questions about any of the materials, feel free to call me.

We look forward to seeing you May 7, 2002 at 5:30 p.m.

Memo

To: Members of the Board of Trustees
From: Barry Ballard *BB/ll*
Date: April 25, 2002
Re: BOARD MEETING – TUESDAY, APRIL 30, 2002

Enclosed are the agenda materials for our meeting Tuesday evening at 5:00 p.m.

There are a number of issues that I want to bring to your attention.

1. We received word last week that the Department of Finance and Administration had lowered the revenue forecast for both the current fiscal year ending June 30, 2002, and next year. The reduction we will suffer now is about \$22,000. Next year the forecast is lowered another \$35,000. Compared to just last year, our State funding is down about \$100,000 this year and it will be down another \$240,000 for next year. Dr. Coomer will have all the details for us at the Board meeting.
2. We are just about ready for a Board Finance Committee meeting to review a proposed budget for next year. We would like to have the Board Finance Committee, a committee of the whole, meet within the next two weeks. On the agenda for Tuesday night is a proposed resolution to raise our tuition and fees by \$5.00 per credit hour. Currently our tuition and fees are \$51.00 per credit hour, so the increase we are proposing is about 10%. This increase is in line with what the other institutions are doing. Our tuition will remain about in the middle of the range of what 2-year colleges charge even with an increase. I will have copies of the increases proposed and the total costs charged by all the other colleges at our meeting Tuesday. After the Board decides what tuition and fees are to be charged next year, then we can forecast OTC's total revenue for next year in preparation for our budget proposal.

By the way, the effect of the tuition increase on students and families is moderated somewhat by two factors. First, it is estimated that about 65% of our tuition and fee revenue is covered by financial aid and scholarships of one kind or another. Second, we have a "Tuition Freeze Guarantee" in our catalog that protects existing students from an increase if they graduate in a timely manner.

3. There has been an increased level of activity regarding the law suites of Ken Martin and Lynette Smith. We have a request for discovery of documents from the Federal Court

initiated by Ken Martin's attorney for personnel records and for other file materials pertaining to Ken Martin and his employment. Our attorney, Lori Freno, has indicated that related files held by OTC Board members and administrators need to be copied and forwarded to her so that she can copy them and forward them on. We, therefore, need to get a copy of any and all file(s) and documents you have on Ken Martin. You can get us a copy of what you have or we can borrow your materials so that we can copy them for the attorney. We will return your original materials to you after we have copied them.

Our attorney remains optimistic that both cases can be dismissed before a trial.

4. We have enclosed two publications that we just completed. The single sheet is a newsletter we put together for superintendents, principals and counselors of the ten area high schools that we serve with our High School Career Center. The high schools are enrolling students in classes for next year and the newsletter serves as a reminder to enroll their students in the programs offered by our Center. That newsletter also provides an update on other program improvements and expansions that have been made to the Center this year.

The other 8-page publication is a "View Book" used by our faculty, counselors, and recruiters to aid in the recruitment of new students. The pocket in the back will be used to hold other materials requested by a prospective student and/or parents. Other materials might include an application for admission, registration materials, class schedule, an application for a scholarship, etc.

We look forward to seeing you at 5:00 p.m. next Tuesday, April 30, 2002 for our Board meeting.

Memo

To: Members, Board of Trustees
From: Barry Ballard *JB*
Date: February 20, 2002
Re: **Agenda for February 26, 2002 Board Meeting**

The agenda for the February 26, 2002 Board meeting is enclosed. The action items proposed for Board consideration are in a new and different form. We are now presenting proposed action items in "resolution form." After our meeting last month, Mr. Paladino and I discussed this method of presenting proposed Board action items as a way to clarify the specific action being sought and to expedite the handling of Board business matters. We think this will be helpful. It will be more work for us in the preparation of the agenda but less work for Betty Lawless as she prepares the minutes of the meetings.

The pertinent information related to the proposed action will usually be provided as a statement of "whereas . . ." and the action requested will be stated immediately following one or more of the "whereas" statements as a resolution. Specifically, the proposal will read, "therefore be it **RESOLVED**, that ..." If you have other suggestions on how we can make our Board meetings work better, we would be happy to have them.

At the end of the meeting after the Board has handled the regular business, Mr. Paladino has requested an Executive Session for the purposes of a Board Self-Evaluation and for a performance evaluation of the President. I have enclosed again, copies of both evaluation forms. As an additional aid to you, Mr. Paladino and I thought it would be good for me to do a self-evaluation using the same form and to share that with the Board. Therefore, I have enclosed a copy of a self-evaluation and a related document.

Dr. Coomer and I met yesterday with Mr. Rico Harris with French-Harris Architects, who is the architect on our new Allied Health Building currently being planned. Dr. Coomer will give you a more detailed report during the Board meeting Tuesday, however, there have been numerous planning delays – most recently due to the engineering work. In checking our calendar during the meeting and planning when bid documents would be ready, when State Building Services would do its last review, when we would advertise for a contractor, when the 4-week bid period might fall, when the Board would meet to approve a low bid and select

a contractor, and when we might break ground and start construction, we realized that now the building will probably not be ready for even the Spring semester next year. It will probably be a year from now when we can get in the building. I was very disappointed to realize this. We have done a lot of program planning to coincide with the availability of the new building. I believe that we will now be forced to delay the start of several new programs – the new secondary Medical Professions Education Program for our secondary area center, the college-level certificate program in Cosmetology and the expanded LPN program.

Nothing new has come up in the things related to the two law suites – Ken Martin and Lynette Smith. Our defense lawyer on both of these cases is Assistant Attorney General Lori Freeno. She would welcome a call from any Board member if there were questions. Her telephone number is 501-682-1314.

I look forward to seeing you Tuesday, February 26, 2002 at 5:00 p.m. for our regular meeting.

Memo

To: Members, Board of Trustees
From: Barry Ballard *JBB*
Date: January 23, 2002
Re: OTC Business Matters

There are a number of things going on about which you need to be aware. These items below are in no particular order of priority or importance.

1. We want to welcome Mr. Calvin Brown of Benton to the Board of Trustees. Mr. Brown is a long time resident and businessman in Benton and an active member of the Holland Chapel Missionary Baptist Church (HCMBC). As you well know, we offer many of our courses in Benton at the Family Life Center of the HCMBC. The Holland Chapel people have been great supporters of our efforts to establish a viable branch operation in Benton. Mr. Brown replaces Mr. Lacy Landers whose term expired last year. Mr. Brown and Mr. Landers are friends and were schoolmates at Benton High School a few years ago. Mr. Brown has had a tour of our campus and I have had several discussions with him. He is excited about the role and function of the College and is very interested in its success and further development.
2. The College will host a reception honoring the long time service that Mr. Landers gave to the College during his tenure on the Board both as a member and as its Chairman. The reception will be at 4:15 p.m. on Tuesday, January 29, 2002 in the Board Room just before the Board meeting at 5:00 p.m. Mr. Paladino will present a plaque to Mr. Landers recognizing his service, and I will present some flowers to Mrs. Lea Landers for her support as well. Please join our faculty and staff at 4:15 p.m. this day to honor Mr. and Mrs. Landers.
3. We have had a great holiday break and Spring Semester registration. The mild weather thus far this winter has permitted us to proceed without losing work days or class days. We are prepared for bad weather, however. We have reviewed our inclement weather policy and predetermined when it would be necessary to cancel classes or close the College, and how we would notify employees, students, and the general public. I will make the final decision based on weather advisories and consultation with Arkansas State Police. We have established a phone tree that permits every employee, including associate faculty, to be informed of a decision to close the campus and to reopen it whenever conditions warrant. We also have a procedure to notify the media of these decisions – television channels 4, 7, and 11 and radio stations 93.3 FM (KCDI), 101.5 FM (KISI), 105.9 FM (KLAZ), and 1310 AM (KBOK). Additionally, we have set up a telephone bulletin board on the College's telephone system. After calling the main number, the caller will be prompted to dial an extension where a message can be heard regarding an

emergency closing of the College. We think we are pretty well prepared. If you have other ideas on handling these eventualities, I would love to have them.

4. Our registration for the Spring Semester has gone fantastic. Registration is now over and we are doing the final processing on the enrollments. It looks like we will be over 1,000 in headcount and have almost 9,000 student semester credit hours being generated. Both of these numbers are all time records for the College and are even more impressive when we consider that the numbers for the Spring Semester are almost always lower than the Fall Semester because of the usual attrition between terms. We will have a final count for you at the Board Meeting on January 29 as that is our official census reporting day.
5. The Annual Trustees Conference is scheduled for Friday, February 22, 2002 at the Embassy Suites Hotel in West Little Rock. The conference will begin with registration and a continental breakfast at 8:30 a.m. and will conclude at 2:00 p.m. and include a lunch meal at noon. As you may know, Act 1171 of 1993, requires all higher education trustees and State Coordinating Board members to complete eight hours of training each year and this conference is designed to help meet that requirement. I plan to attend as well. We will arrange to have a large van available so we can all ride together. We will leave the College about 7:10 a.m. and plan to stop in Benton at the Summit Bank to pick up Mr. Dale Jenkins and Mr. Calvin Brown at 7:40 a.m. That should give us ample time to get to the hotel around 8:30 a.m. So far, we have commitments from Msrs. Paladino, Stilwell, Jenkins and Ballard. Please consider this opportunity and let us know at the Board meeting on January 29 so the proper pre-registration paperwork and fees can be sent in on time. I hope everyone can attend. We will have some good fellowship going together and the day promises to be interesting and profitable for us. Additional training opportunities are available at the national conference of the Association of Community College Trustees scheduled for September 18-21, 2002 in Philadelphia, PA. We make budget plans each year for travel money to permit Board members to attend this national conference.
6. I have enclosed my OTC Personnel Record (leave records) for your review. Because of the failure of leave record keeping of my predecessor, Ken Martin, and the subsequent State Auditors report on same, the Board is supposed to review these records periodically. I use all of the same leave forms and records required of all employees. Mr. Paladino, and Mr. Landers before him, sign all of my leave requests and reports. I make a monthly report in the system that reconciles to the signed leave forms. Once a quarter this report is produced for all employees by Ms. Vickie Boyett who is the Payroll Officer in Dr. Coomer's office. This report dated December 31, 2001 shows how much leave I have earned and how much leave I have taken in all three categories – vacation, sick, and holiday. This particular report shows that at the end of December, 2001, I have 32 hours of unused vacation time and 56 hours of unused sick time. I used one day of sick time in October because of pain I was suffering as a result of a lower back injury sustained during the move of our household from Conway to the new home here. If you have any questions about this, please feel free to ask Dr. Coomer, Mr. Paladino, or me.
7. Dr. Martin's lawsuit against the Board is moving along. As you recall, in the lawsuit, Dr. Ken Martin has complained in US District Court, Western District of Arkansas, Hot Springs Division, that his termination by the OTC Board of Trustees, now named individually in their official capacities, was against the law because 1) it was a wrongful discharge and a breach of contract since he was not notified by 12-31-00 and given 6-months notice, 2) he was handicapped because of numerous physical ailments and has protection under the American with Disabilities Act (the Board should have made reasonable accommodation to permit him to work only a part of the day), and 3) he was treated discriminatorily because of his sex, a male, inasmuch as the Board reversed his firing of Dr. Azbell, a female, because she was not informed of her non-renewal of her contract before 12-31-00 but yet he, because he was male, was terminated without the notice. Ms. Lori Freeno, Assistant Attorney General, our defense attorney, has reported to me that the trial has now been set for July 22, 2002. Under the rules of the court, the cut-off date for discovery is May 9. That

means if Dr. Martin's attorney is going to use depositions, the witnesses will have to be deposed before May 9. Depositions are very expensive and we doubt if plaintiff's attorney will want to use his valuable time and pay a court reporter \$55.00 per hour to do them. If Dr. Martin cannot pay for them in advance, they probably will not be done. Also, the cut-off date for amendments to the complaint is April 23. Ms. Freno said that it was her advice to let the case be strung out as time is on our side. Final motions are due by May 23 at which time she will file a motion to dismiss and ask the Court to grant a summary judgment. Ms. Freno asserts that the Board has immunity on most points of the complaint and that the termination was solely for cause – Dr. Martin committed malfeasance which was documented by a State Audit and subsequent State Audit Report, Dr. Martin admitted in writing that he committed malfeasance by abusing the leave, he used over \$16,000 worth of sick and vacation leave that he did not earn, and the Board has the right and the responsibility to terminate an employee who has been found to commit malfeasance.

8. There has been a new lawsuit against the Collge filed in this same Federal Court by a current employee - Ms. Lynette Smith. I was served earlier this month by a notice from the Court that the complaint of job discrimination because of race and sex had been filed on December 27, 2001. Ms. Smith, a black female, who has been working for OTC as an instructor in the LPN program since August 4, 1991, complains that she, when working as the Chair of the LPN program, was treated adversely and different than her male counterparts. As you recall, Ms. Smith was not terminated but rather relieved of her duties as chair of the program by Dr. Azbell and upheld by Dr. Martin. There is a \$750 per semester administrative stipend with an appointment as a program chair. The action to relieve her of the Chair was based on insubordination and other management and supervision problems in the program. She filed a grievance and appealed it to the Board and the Board upheld Dr. Martin's decision. She then filed a complaint with the U.S. Equal Employment Opportunity Commission that concluded that it could not find that the College violated any legal statutes. Ms. Smith remained a full-time instructor, never missed a day of employment, and remains, to this day, the College's highest paid faculty member. As a matter of fact, the two highest paid faculty members are both black females – Ms. Smith and Ms. Zelma Jones. Ms. Lori Freno, Assistant Attorney General, will also defend the College in this case as well. We will file an answer right away denying all components of the complaint.
9. I have enclosed a research brief of the American Association of Community Colleges about the impending leadership crises in America's community colleges. There is a growing body of evidence showing that presidents and senior administrators as a group are getting older and closer to retirement. The paper discusses the challenges facing community colleges resulting from the upcoming retirements. Since I do not plan to retire for eight or ten more years, I hope to be around for a good while assuming you want me to be. It is a problem that will eventually have to be faced. Most of the Arkansas presidents and chancellors are about my age. Hopefully, the new doctoral program in community college education at UALR will grow and help address this problem.
10. We will update our Strategic Plan in the next few months. The last Strategic Plan was developed in April, 1999. Act 221 of 2001 requires all agencies and public higher education institutions to prepare a long-range (not less than five years) strategic plan and to submit a biennial budget request in performance budget format for approval by the General Assembly. The staff of the Arkansas Department of Higher Education has given us some guidance on the new requirements. We have developed a tentative timetable and plan to update OTC's Strategic Plan. Our timetable and plan will culminate in an OTC Board Retreat and final approval in March, 2002. We are recommending that you schedule a Board Retreat for the afternoon of Friday, March 15, 2002, or the afternoon of Tuesday, March 26, 2002, which is the normal date of the March Board meeting. Please bring your calendar to the Board meeting next Tuesday, January 29, 2002, and be prepared to select a Board Retreat date.

I look forward to seeing you Tuesday, January 29, 2002 at 4:15 p.m. for the reception for Mr. Landers and our regular Board meeting at 5:00 p.m.