Call to Order
Chairman Bill Carrico welcomed everyone and called the meeting to order. Roll call was held. A quorum was present.

Board Members/Designees Present:
Steven Ahn
Senator Bill Carrico, Chairman
Cheryl Carrico
Senator Ben Chafin
Steve Cochran (telephonically)
Kenna Colley (Radford University)
Gene Couch (VHCC)
Joshua Ely
Sim Ewing (UVA-Wise)
Delegate Joe Johnson (Emeritus)
Steve Laymon (UVa) (telephonically)
Delegate Will Morefield
David Olive (Bluefield) (Ex-Officio)
Monica Osei (SCHEV) (telephonically)
Keith Perrigan
Ron Proffitt
Susan Short (Virginia Tech)
Lex Tartaglia (VCU) (telephonically)
Terri Wheaton (ODU)

Board Members/Designees Absent:
Maria Colobro
Aviva Shapiro Frye
Delegate Terry Kilgore
Delegate Todd Pillion
Delegate Israel O’Quinn
Jake Schrum (Emory & Henry)
Others Present:
Amanda Baldwin-Estep
Rebecca Carmack
Angela Cvetkovski
Rana Duncan-Daston
Connie Estep
Elizabeth Griffin (telephonically)
Debbie Hensley
Hannah Hietala
Kathy Hietala
Brenda Justus
David Matlock
Penny McCallum
Joe Mitchell
Steve Patterson
George Santopietro (telephonically)
Michael Smith
Deborah Sproles
Adam Tolbert
Janet Williams
Alicia Young

Approval of Minutes
The Chairman called for approval of the Minutes for the December 14, 2017, meeting. They were unanimously approved upon motion by Delegate Will Morefield, seconded by Senator Ben Chafin.

Acknowledgement of Outgoing Board Members
Outgoing board members Danny Dixon and Christine Kinser, neither of whom was present, were recognized for their service on the board.

Introduction of New Board Members
New board members Steve Ahn and Keith Perrigan were introduced.

Mr. Ahn, a public school teacher, shared with the board that he has lived in southwest Virginia for 8-9 years, having relocated from the Carolinas. Currently teaching at Holston High School, he has also taught at Abingdon High School; his subject area is the sciences—biology, anatomy, earth science. Mr. Ahn expressed his pleasure at serving on the board.
Dr. Keith Perrigan is a Washington County native who has had a longtime association with the Higher Education Center, having earned both his master’s and doctoral degrees through the Center’s academic partners. Currently Superintendent of Bristol Virginia Schools, Dr. Perrigan said that he is proud to serve on the board.

Delegate Todd Pillion, newest legislative member of the board, was unable to attend the meeting. The Chairman shared that Delegate Pillion is a native of Lee County now living and practicing pediatric dentistry in Abingdon.

Executive Director’s Report
David Matlock welcomed everyone to the meeting.

The Director’s report included the following notable matters:

- **Deficit Provision Acknowledgment Form contained in Trustee’s folders**
  Matlock provided a synopsis of the form, which he said prohibits state agencies from obligating or spending General Funds in excess of their appropriations. The Governor is required to bring the deficit provision to the attention of board members of the governing board of each state agency, and the Agency Head is directed to acknowledge receipt of such notification by completing the Form and providing board members with a copy.

- **Financial Report**
  Matlock prefaced the financial report by reiterating that the Center has been in existence for 27 years, with a continued mission of strengthening the economy of southwest Virginia through education and training of the region’s workforce. As the Center’s director, he takes seriously his role of responsible stewardship with the tax dollars of the citizens of southwest Virginia and stated that the Center’s desire is to fulfill its mission as efficiently and effectively as possible. Praising Center staff and academic partners, who comprise a great team, Matlock credited all their hard work resulting in the many great things taking place at the Center. In summary, he noted that the Center is in an approximately $160,000 better financial position presently than two years prior.
Referring board members to reports included in their folders, Matlock proceeded to review the FY2018 budget, highlighting trends and issues and providing key performance indicators, concluding that revenues are up, program offerings are up, expenses are down and the Center is currently in a sound financial position.

Cheryl Carrico had a question regarding a change in the number of FTE and wage employees that Matlock could not readily answer without further review of personnel changes that have taken place. Mr. Matlock assured Carrico that he would provide the answer to her query forthwith.

Matlock went on to present the proposed FY2019 budget, noting that for each of the past two years the Center had received a five percent decrease from the state, but had not received a budget decrease for FY2019. He reported that the Center’s General Fund appropriation is $2.1 million for FY2019. Non-General Fund revenue is projected at $882,000 and the Non-General Fund Carryforward is $1,122,000, bringing total state revenue to $4,104,000 for FY19, the largest budget in the history of the Center.

Turning to Personnel, Matlock reported that $1.6 million has been budgeted for FY19--$260,000 less than in FY2018. He clarified that the amount budgeted includes new positions yet to be filled, including a long-frozen marketing position to be filled in FY19. Matlock said he is pleased that the Center is experiencing increased growth and increased revenue as well as a decrease in personnel expenses.

Explaining that there are several projects needing completion now that the Governor has signed the budget, Matlock elaborated about several items under Contractual Services that might have caught board members’ attention due to the seemingly tremendous budget increase. One of the areas affected by the impending transfer of the Center’s HR services from UVA to DHRM will be the Education Benefits that had been available to Center employees with UVA. Since those benefits will no longer be available under DHRM, $30,000 has been allocated in the budget for professional development of Center staff. Additionally, Miscellaneous Contractual Services has been increased from $18,000 to $22,000 for FY19 for anticipated new initiatives, including a speaker series and a business and industry leadership academy. Total projected for FY19 in Other Than Personal Services is $1.4 million.
Matlock said that while projected Supplies & Equipment budget projection for FY19 remains essentially the same, the projected Contingency Fund budget has been increased to nearly half a million dollars.

Upon concluding the financial report, Matlock called for questions. Steve Cochran requested further definition with respect to the $30,000 budgeted for staff development. Matlock explained that the funds are for professional growth and development, such as degrees, certificates, diplomas, etc. Cochran inquired as to whether that means Center staff taking on additional roles will require additional training. Matlock said that the funds are for anyone employed by the Center, and would be invested to enhance their education, skills, and job performance, thereby ultimately increasing the Center’s efficiency and effectiveness. Mr. Cochran voiced his support of the purpose and clarified that he was inquiring as to whether the funds were directly related to the change in HR services. Mr. Matlock affirmed that it was in that the benefits had previously been provided by UVA HR as part of the Center’s contract with them. Since those benefits will no longer be available following the transfer to DHRM, the Center must now pay them from its own revenue. Cochran said that made more sense, and he appreciated the explanation.

Cheryl Carrico pointed out a potential correction, noting that the subtotals for Personal Services for projected FY18 do not accurately reflect the sum of the amounts entered in the column above. Matlock apologized for the mistake and assured her that it would be corrected. Carrico also questioned the Housekeeping section of the budget, saying she did not understand why only dashes were entered for FY18 Approved and Projected Year End, while large numbers appear for Proposed FY2019. Matlock explained that Housekeeping had previously been included as part of another department, but is now being presented in its own separate category. Carrico said that there again, the subtotals do not agree with the figures shown in the preceding columns. Matlock again acknowledged the error.

Sim Ewing asked how accrued leave for potential departing employees would be handled under the Center’s agreement with DHRM; if it was factored into the Center’s previous agreement with UVA, has it been accounted for and included under the new agreement with DHRM. Mr. Matlock explained that if an employee leaves, the Center must pay them
for any accrued leave and sick leave as a state employee. He said that possibility is not reflected in the totals; the totals shown are based on the premise that all employees would continue to work 12 calendar months. However, Matlock said that such an occurrence would be covered to a certain degree, since the position has been budgeted for the entire year. If an employee should leave and have accumulated leave and/or sick leave, they would be paid out according to HR regulations by the Center, which would then do a search to fill the position.

Terri Wheaton noticed that Capital Projects & Building Improvements is back up to half a million dollars for Proposed FY2019. She asked if that had been delayed or deferred from a previous year. Mr. Matlock answered that it had been delayed, explaining that the funds are earmarked for a complete renovation over a four-year period of the Center’s 20-year-old HVAC system, as has been discussed at a previous board meeting. With the total cost of the project anticipated to be $900,000-$1 million, the Center worked with DPB in hopes of receiving some emergency relief funding from the state to help with the cost, which it did receive as reflected in the current budget.

Chairman Carrico asked for an update on the expansion project. Mr. Matlock explained that during his first year as director, the Center had secured $1.7 million to enlarge the facility. Subsequent to securing the funds, the Center realized that the scope of the project needed to be changed after discovering a better way to obtain more square footage without increasing the cost. The change in scope necessitated requesting approval that has since been received in this year’s budget. The Center hopes to be able to go to bid late fall 2018. If that occurs, groundbreaking could potentially take place at the December board meeting.

At the conclusion of thorough discussion of budget-related matters, the Chairman called for a motion to adopt the proposed FY19 budget. Senator Ben Chafin made the motion for adoption; the motion was seconded by Delegate Will Morefield, and the proposed FY2019 budget was unanimously approved.
• **Updates**

Matlock updated the Trustees about several notable matters:

*Initiatives & Yearly Activity, Facility Management, Expansion & HVAC Projects*

- Replacement of 16 heat pumps in the Grand Hall has been completed at a cost of well over $100,000.
- A new boiler with automation for the hot water system has been installed.
- A recent fire alarm audit resulted in upgrades and installation of new fire alarm panels, an expense of approximately $16,000.
- Improvements made in the Grand Hall include cutting edge projectors and monitors.
- The nursing lab for King University’s Licensed Practitioner program was completed, as was the networking and cyber security lab.
- A process is underway to increase energy savings with LED lighting. Other energy saving measures implemented have resulted in a savings of $500-$600/month in the past year.
- A ceiling tile replacement project is ongoing.
- As previously reported, the building expansion and modifications are imminent. As part of that project, the Food City kitchen, which is currently used for the Center’s Cooking Along the Crooked Road program, will be converted to a maker space lab to support some other new activities at the Center. Funds for the redesign of the kitchen space will be allocated from the $500,000 for capital improvements. Improvements are also planned for the patio area.
- Matlock called attention to the Center’s academic partner reports contained in the board folders, and praised the work they are doing at the Center.
- The Center held a graduation for its first K-5 STEM Academy, with 120 PreK-5th grade students. He explained that the STEM Academy introduces pre-readers to coding using age-relevant technologies.
- Sixth-Grade STEM day brought 700 students from 12 middle schools in southwest Virginia to participate in 27 concurrent sessions and hear a national keynote speaker.
- Middle school and elementary school visits by 832 students took place at the Center in the past year.
- The LEGO Robotics Tournament was at capacity with 30 teams from nine school districts competing this past year. Team members,
coaches, volunteers, family and friends comprised the over 700 attendees. Six local teams advanced to state competition.

- The A. Linwood Holton Governor’s School is housed at the Center, providing synchronous education to 17 school districts working with 40 community colleges and 36 high schools. ALHGS has ended the year with 370 students accounting for 3,086 college credits.

- Elite Learning provides asynchronous learning to 16 school districts working with 21 high schools and the same community colleges. In the past year, they have served 1,597 students who earned 6,183 college credits.

- Code Virginia is a new program at the Center that was created under House Bill 831. The Center had its first graduating class of 54 teachers from several southwest Virginia counties the previous week. Matlock explained that Virginia is the first state in the nation to implement mandated computer science coding into the curricula from kindergarten to 12th grade. Beginning in 2019, every school district must have a plan in place. In order to do so, teachers must obtain the necessary training, since it did not exist at the time they received their baccalaureate degrees. Through Code Virginia, funded by the Tobacco Commission and the Secretary of Education, a program has been created. The Higher Education Center will be the portal for southwest Virginia, and hopes to train a couple hundred teachers this year. The training is free to educators in Region 7 and beyond to come to the Center for a week-long boot camp. Upon completion of training, they will leave as STEM coaches, which will qualify them to go back to their schools and implement House Bill 831 to meet the guidelines as required. Although free to the community, Matlock explained that there are costs incurred by the Center to teach, so some fees are involved in order to fund the program.

- Virginia Tech Cooperative Extension’s Southwest District Office is located in the Center and provides education to residents of the region on a broad range of subjects, including pesticides, honeybee production, master gardeners, cattleman training, food safety, etc. Their programs were attended by 6,300 individuals over the last eight months.

- Mount Rogers Regional Adult Education is another Center resident, serving approximately 650 students from eight southwest Virginia counties and Jacobs Creek Job Corps in Bristol, Tennessee. Mount
Rogers also works with VHCC and WCC on dual enrollment so that GED students can work on two degrees simultaneously.

- Goodwill Industries, the oldest workforce provider in the United States, now has an office at the Center. Last year, they served 92 students from seven southwest Virginia counties. Goodwill’s target audience is students age 55 and older who are unemployed, with low income and a skills gap who need jobs. They recently received a Google grant to provide digital skills training that will improve students’ skills with computers, smartphones, and other devices that utilize digital technology. Training will take place at the Center as well as in a mobile lab that can travel across the region. When Goodwill came to the Center 15 months ago, they had one employee. Beginning the previous week, they now have four employees working from their office at the Center, thereby contributing to growth in the Center’s associate fees.

- Sunset Learning, another Center education provider, assists approximately 211 students annually in cloud technology. Classes are taught synchronously by one instructor to students in places around the world, including Canada, Pakistan, India, and South Africa.

- The Center’s College for Older Adults program continues to grow. Mr. Matlock shared that Joshua Ely, a new board member, presented an idea following the December board meeting that would allow the College for Older Adults to grow in Lee County. Matlock said that he would elaborate later about that initiative.

- Conference Services’ department at the Center facilitated 659 events for the fiscal year just ending, providing services for an estimated 235,577 visitors.

- The Center will continue to be a fiscal agent for the Tobacco Scholarship Loan program. The Tobacco Commission modified the method by which funds are awarded, so it is now a loan program. As a result, awards went down in 2017. Currently, 2,500 applications have been submitted, but the full $6 million is not expected to be awarded this year. The application process will be reopened in the fall.
**New Initiatives**

- Radford University has reestablished its presence at the Center and is exploring the possibility of beginning an MBA program. Mr. Matlock introduced Amanda Baldwin-Estep, Radford’s Site Coordinator at the Higher Education Center.
- ODU’s Cisco Networking & Cybersecurity Academy classes began in April 2018.
- ETSU’s MSW and BSW programs at the Center continue to grow. The university has entered into a partnership with Family Preservation Services to project its MSW programming to far southwest Virginia, making graduate education accessible to more Virginia residents.
- Mr. Matlock said that he has been working with the Chancellor at UVa-Wise and hopes to be able to announce a new program with them soon.
- Emory & Henry plans to bring a new program to the building, possibly in the fall of 2018.
- King University will be signing a full partnership agreement with the Center in July 2018.

**Personnel**

**New Hires & Appointments:**

- Joe Mitchell – Building & Grounds Manager;
- Hannah Hietala – formerly a part-time employee, is now the full-time Director of Meetings & Events;
- Adam Tolbert – formerly an IT Specialist, will now be handling HR, and is also the Center’s Legislative Liaison, and will handle special projects in the administrative department;
- Nicky Rahley – promoted to IT Support Manager;
- Debbie Hensley – formerly the Business Manager, has assumed the role of Director of Finance;
- Kathy Hietala – Assistant to the Executive Director, has been assigned additional responsibilities to supervise the Center’s Information Desk staff;
- Jeff Webb – formerly Director of the IT Department, has been assigned additional responsibilities in his new role as Chief Technology & Operations Officer;
- Alex VanHoy and Faith Ritchie – new Conference Services employees;
• Claire Coker and Judy Vermillion – new Information Desk Specialists;
• Carol Wilson – new Test Center Proctor
• **Recognition of Retirees:**
  • Joyce Brooks, Director of Operations
  • Debra Heath, Conference Services
  • Janet Williams, Marketing Specialist

**Election of Officers**
Ron Proffitt, Chairman of the Officer Nominating Committee, presented the following names for the 2018-2020 officers of the board:
• Chairman – Senator Bill Carrico
• Vice Chairman – Delegate Israel O’Quinn
• Secretary-Treasurer – Dr. Gene Couch

Upon Dr. Proffitt’s motion, seconded by Senator Ben Chafin and unanimously approved by the board, the slate of officers was confirmed.

**Public Comments**
There were no public comments.

**Closing Remarks**
In closing, the Chairman thanked those present for being in attendance at the meeting and invited everyone to a reception in the lobby on the second floor. He reminded the board members to mark their calendars for the next meeting on **Thursday, December 13, 2018**, and declared the meeting adjourned.