

**Southwest Virginia Higher Education Center
Board of Trustees
Minutes
June 8, 2004**

Board Members Present: Senator Phillip Puckett, Delegate Joe Johnson, Jackson Barker, Gerald Blankenship (Radford), Delegate Bill Carrico, Deborah Clear (VHCC), Nancy Cooley (SCHEV), Marcia Gilliam, Steve Greiner (VA Intermont), Mark Haulsey (ODU), Debbie Icenhour, Ron Jessee, Penny McCallum (ODU), Tom Morris (E & H), Delegate David Nutter, Roseann Runte (ODU), Rebecca Scott, Carole Seyfrit (Radford), Sondra Stallard (UVA), Lorraine Turner, Senator William Wampler, Mitch Williams (UVA and UVA-Wise)

Others Present: Rachel Fowlkes, Deborah Bourne, Nancy Breeding, Joyce Brooks, Andrea Clevinger, Mike Cline, Sonia Craig, John Dooley, Sim Ewing, Christine Fields, Blue Gotham, Amelia Harris, Kathy Hietala, George Hiller, Penny McCallum, Kris Peter, Richard Settle, Eddie Sproles, Doug Viers, Jeff Webb, Mitch Williams, Brenda Wilson

Welcome and Introductions

Senator Phillip Puckett, Chairman, called the meeting to order.

Members in attendance introduced themselves.

Approval of Minutes

Minutes for the December 18, 2003, meeting were approved as written.

Executive Director's Report

Dr. Rachel Fowlkes began her report by sharing recent events at the center, including the births of baby girls to two employees, Michele Bentley and Bob Martin; the marriage of Barry Logan; the resignations of Elizabeth Lowe, Mitch Williams, Bethany Fullen, Jeff Peatross and two LB&B employees; the addition of several new employees, including Radford University's new site director, Gerald Blankenship; Jonathan Shelton and Jacob King in the IT Department; two new LB & B employees; and her new assistant, Kathy Hietala. She went on to discuss the recent completion of the culinary classroom and other renovations and improvements to the Center; the continued growth of the College for Older Adults program, which has exceeded all expectations, due in no small part to its Director, Blue Gotham; and recent legislation passed which will provide a tuition reduction incentive for out-of-state students; she asked Sim Ewing from UVA's College at Wise to update the Board about the legislation, which had been discussed at the previous Board meeting in December, 2003.

Dr. Fowlkes informed the Board that an appropriation in Higher Education Equipment Trust Funds (HEET) allowed the Information Technology Department to add new equipment, one of the most significant of which is a mobile wireless laptop lab consisting

of 30 computers which can be moved from room to room in the building. Dr. Fowlkes commended the Center's IT Department for their continued commitment to keeping the Center on the cutting edge of technology.

In continuing with her report, Dr. Fowlkes announced two recent awards received by the Center: Innovator of the Year Award for the Commonwealth of Virginia presented by the Southern Growth Policies Board and recognition by the SW Virginia Technology Council for the Best Education Use of Technology in the region. Jamie Dick, a physical therapist in Abingdon, also received an award for Best E-Commerce Project. Bob Martin, the E-Commerce Director at the Higher Education Center, designed and developed the award -winning website (www.FootRX.com). Dr. Fowlkes provided information about other successful e-commerce projects that Bob has developed.

Dr. Fowlkes highlighted current data on the Tobacco Scholarship Program, including the number of students who receive scholarships, the colleges they attend, their ages and locations. She reminded the Board that the Higher Education Center holds career workshops for all the tobacco scholarship recipients. The topic this year is "Globalization," which will focus on international economics and its impact on the economy of southwest Virginia. Students will hear about study abroad opportunities and the importance of learning a second language to enhance their careers. Dr. Fowlkes thanked the legislators who serve on the Tobacco Commission for making possible the opportunities this program affords southwest Virginia students and colleges.

She discussed the need for an undergraduate engineering program. Currently, the Commonwealth Cooperative Graduate Engineering Program provides 14 Masters Degree programs in engineering. However, enrollment in southwest Virginia is extremely low, due in part to the limited number of undergraduate engineering graduates in the region. There are no Bachelor's degree engineering programs between Blacksburg, VA and Knoxville, TN and no programs for part-time or nontraditional students

Dr. Fowlkes' report concluded with a discussion of the enrollment data and an expression of appreciation to the site representatives for their excellent work at the Higher Education Center.

Financial Report

Chris Fields presented the Financial Report, beginning with the current year's budget. She talked about the Center's projected revenues and expenditures for the fiscal year, pointing out that as of June 30, revenues were projected to be \$1.85 million by year-end. Ms. Fields discussed the cost of improvements to the building, including the new sound system in the Grand Hall, the kitchen renovations, updating lighting in the Grand Hall, and HVAC system for the kitchen. She expressed appreciation to the legislators for approving a State Budget that will restore

\$175,000 to the Center's FY05 budget. This amount is a portion of what was cut in FY03 and FY 04. Ms. Fields then presented the proposed Operating Budget for fiscal year 2005. She reported that the General Fund revenue increased by 10% to \$1.5 million. She discussed a reduction in the Higher Education Trust Fund (HEET) citing that the amount initially allocated was significant in order to get the Center up and running. Now, the Center's annual HEET allocation is formula driven and will be much lower. New sources of revenue will be a site fee for Virginia Intermont's use of the new culinary classroom. The total projected revenue budget including General Fund, Nongeneral Funds, and grants is projected at \$2.15 million.

Ms. Fields highlighted several changes in the proposed expenditure budget. There are increases in the Administrative budget for the Administrative Support position, the Executive Director's salary, a new position for a conference planner, and minor changes to Personal Services. In the Technology Department the budget was increased to hire a fulltime website developer/E-Commerce database manager. The Facility Management budget increased to add a fulltime person who helps in Technology and a part-time person who cares for the lawn. Ms. Fields also pointed out that benefits for state classified employees increased by 3%. Lastly, Chris mentioned that \$64,000 had been set aside under Building Improvements for small projects, including the replacement of some carpeting in the building.

A motion was made, seconded and unanimously accepted that the FY 05 Operating Budget be approved.

Ms. Fields concluded her remarks by recognizing Mike Cline and the UVA Budget Office for their assistance and support.

Conference Services & Marketing Report

Deborah Bourne presented the Conference Services & Marketing Report. Ms. Bourne stated that during the current fiscal year over 1,400 events, other than classes, were held at the Center. Approximately 88,000 people attended these events.

Ms. Bourne's presentation included usage of the building by local, state and federal agencies, as well as corporations. She noted an increase in usage by corporations. She highlighted several of the unique events held in the building, such as the Virginia Highlands Dance Society, Garden Faire, Morning of Joy with Billy Graham's daughter, and the Southwest Virginia Public Education Consortium Teacher Employment Fair. She reported that Emory & Henry had hosted the Education Forum again this year. The featured speaker was former Governor Gerald Baliles. Ms. Bourne mentioned several upcoming events including a Ralph Stanley concert, Women's Expo, Appalachian Regional Commission meeting, the Appalachian College Association Technology Summit, and Mistletoe Market. The Center has scheduled several major events for 2005 including the Queen of Hearts Ball, Garden Faire, International Rural Conference (last year's was held in Scotland), and Mistletoe Market.

Ms. Bourne finished her presentation with slides of the new large classroom that was created by combining two smaller classrooms, and the new Food City Culinary Classroom. She expressed her appreciation to the Board and commended the Center staff for their continuing superb performance.

At the conclusion of Deborah's report, a discussion ensued comparing usage of the Center by different state agencies, educational groups and businesses for this and previous years shown in the report. Delegate Johnson noted the reduction in usage by state agencies, and Ms. Bourne explained that the assumption is that the reduction is due to the agencies' budget cuts that have limited their resources for professional training. Dr. Runte pointed out that the chart reflected an increase in corporate usage, but a decrease in corporate revenue. Ms. Bourne and Dr. Fowlkes responded that the revenue figure did not include unbilled accounts for June or outstanding receivables. By the end of the fiscal year, actual revenues should exceed FY04.

College Reports

The site directors then made brief presentations, reporting their current enrollment numbers and program offerings.

At the conclusion of these reports, the meeting adjourned, and everyone moved to the front lobby of the building for the ribbon cutting ceremony of the new Food City Culinary Arts Classroom. Virginia Intermont College's culinary arts students prepared the food and beverages for the reception that followed.