

**New College Institute
Executive Committee Meeting Minutes
July 24, 2008**

Attendance:

Ms. Elizabeth Haskell, Ms. Amanda Redd, Mr. Joe Roach, and Mr. Rob Spilman.

Also present were: **Dr. Leanna Blevins**, NCI Associate Director; **Dr. Barry Dorsey**, NCI Executive Director; **Mr. Charles Guthridge**, Public Affairs Consultant; **Mr. Morgan Guthridge**, Public Affairs Consultant; **Mr. Charles Toothman**, NCI Fiscal and Human Resources Administrator; and **Ms. Melanie Ingram**, NCI Assistant to the Executive Director.

I. Call to Order – Rob Spilman, Chairman

Chairman Rob Spilman called the meeting to order and welcomed the members.

II. Roll Call and Approval of Minutes – Melanie Ingram, Administrative Assistant

Ms. Ingram called the roll and announced that a quorum was present.

On motion by Ms. Haskell, seconded by Mr. Roach, the minutes of the January 2, 2008 meeting were approved.

III. Report on Audit

Dr. Dorsey reported that NCI received a very favorable initial audit conducted by the Commonwealth of Virginia's Auditor of Public Accounts. A copy of the report is attached to these minutes.

IV. Action on Tuition Reimbursement Policy

A draft of a Tuition Reimbursement Policy for New College Institute employees was provided to the Executive Committee for review prior to the meeting. The intent of the policy is to encourage and assist all NCI employees to obtain at least a bachelor's degree. The draft policy stated that a student be reimbursed for courses taken and completed with a final grade of "C" or higher. On motion by Mr. Roach, seconded by Ms. Redd, the Policy was approved with an amendment that the student complete the course with a final grade of "B" or higher. The amended draft now goes to the full Board for approval.

V. Approval of State (Operating) Budget

NCI received \$1,484,809 in state general funds for operations in 2008 – 09.

In order to have a perspective on the total NCI budget, including funds from all three of the agency's current funding sources (state, foundation/Harvest funds, and Tobacco Commission) a combined budget was provided. Dr. Dorsey reviewed the budget in detail. On motion by Mr. Roach, seconded by Ms. Haskell, the General Fund budget of \$1,484,809 was unanimously approved. A copy of the budget is attached to these minutes.

Executive Committee members were provided a memorandum from Wayne Turnage, Governor Kaine's Chief of Staff, regarding General Fund Revenues and possible state budget reductions. Mr. Charles Guthridge indicated that he had heard cuts would be forthcoming. He was not sure what the percentage may be; however, he encouraged NCI to be very conservative with its expenditures.

VI. Other Items: Planning NCI's Future

A. Discussion of Future Space Needs

1. 2008 – 09 fiscal year

Dr. Dorsey reported that additional classroom and faculty space will be needed for the 2008 – 09 fiscal year. New College Foundation has already approved the leasing of 2400 square feet in the Jefferson Plaza Building to meet this need.

2. 2009 – 10 fiscal year and beyond

Dr. Dorsey reported that he and staff have looked at possible sites in this area and have identified a potential building to meet NCI's growing needs. After further discussion, the members requested that they take a tour of the proposed site before making a decision to lease the space. Ms. Ingram was instructed to gather available dates from members and schedule times for each member to take a brief tour of the available space, as well as the leased space at the Jefferson Plaza.

3. Proposal for a new building

Dr. Dorsey shared an idea that had been presented by a New College Foundation member regarding the construction of a new building. The Committee agreed not to pursue the idea of a new building at this time but to re-visit the matter as events might dictate.

B. Discussion of Other Items

1. Enrollment Projections through 2012 – 13

Dr. Dorsey reviewed actual enrollment numbers (2006 – 2008) and projected unduplicated enrollment numbers through 2012 – 13. A copy of the report is attached to these minutes. He emphasized that the projections were his and could change dramatically depending on a number of variables.

Mr. Spilman recommended that the Executive Committee hold a strategic planning session to discuss number of students, space requirements, buildings, NCI's future goals and how it plans to reach those goals by 2012 – 13, etc. After discussion, it was determined that Mr. Spilman and Dr. Dorsey will further discuss this idea.

2. Degree Programs through 2012 – 13

Dr. Dorsey distributed several pages taken from the *Report on the Analysis of Education Demand in Southside Virginia and Recommendations for Action* released by the State Council of Higher Education for Virginia (SCHEV) on January 12, 2006. These pages recommend a higher education model for Martinsville – Henry County. A copy is included with these minutes.

The Committee reviewed a list of possible degree programs for the future.

3. NCI Personnel in 2008 – 10 and beyond

Dr. Dorsey reported that a full time administrative assistant had been hired to assist Dr. Blevins, Associate Director. The person also will be in charge of NCI's website and of scheduling the use of classrooms.

NCI currently has in place a .5 FTE for its recruiter position. A request has been made to the state for an additional .5 FTE to make this a full-time position.

C. Discussion of the Political Process through 2012 – 13

Dr. Dorsey reminded the Board that the proposed review of NCI in 2012 and a recommendation by SCHEV regarding its future are not in NCI's legislation. Dr. Dorsey indicated that the NCI Board must remind politicians and governmental leaders about the review and the verbal commitment to make a decision about NCI's future at that time. Executive Committee members discussed 2012 and what needs to be in place to demonstrate NCI's success at that time.

VII. Discussion of the Importance of All NCI Board and New College Foundation Members Participating in the Fundraising Campaign and Solicitation Visit Assignments

Ms. Haskell updated the committee on the New College Foundation fundraising campaign. Executive Committee members were asked to volunteer to accompany Dr. Dorsey on the "top 50" visits to be made under the campaign.

VII. Adjournment

The meeting adjourned at 10:35 a.m.

AUDIT SUMMARY

Our audit of the New College Institute for the year ended June 30, 2007, found:

- proper recording and reporting of all transactions, in all material respects, in the Commonwealth Accounting and Reporting System;
- no matters involving internal control and its operations necessary to bring to management's attention; and
- no instances of noncompliance with applicable laws and regulations or other matters that are required to be reported.

AGENCY HIGHLIGHTS

In 2006, the General Assembly passed and Governor Tim Kaine signed a bill establishing New College Institute funded by an initial appropriation of \$2.5 million for the 2006-08 biennium and a grant from the Harvest Foundation. New College Institute is a state-funded educational entity that provides access to bachelor's degree completion programs, master's degrees, teacher endorsement programs, teacher recertification courses, and other academic offerings through partnerships with colleges and universities. New College Institute augments academic offerings with an outreach program of community workshops, individual counseling, non-credit courses, and internship opportunities.

New College Institute encourages and coordinates the development and delivery of degree programs and other credit and noncredit courses, focusing on statewide and regional critical shortage areas and the needs of industry. In addition, New College Institute also serves as a resource and referral center with its educational outreach program by maintaining and disseminating information on existing educational programs, college admission requirements, and college financial aid. New College Institute also funds a summer internship program for college students and summer camps for elementary and secondary students.

For fiscal year 2007, New College Institute had a state appropriation of \$1,250,000 to fund its operations and a full-time equivalent staff of eight employees. In the 2006-07 academic year, New College Institute enrolled 118 students in six bachelor's degree completion and master's degree programs in high demand fields.

For fiscal year 2008, New College Institute will receive grants from the Harvest Foundation and the Tobacco Indemnification and Community Revitalization Commission to start three new degree programs and an internship program. To meet the educational needs of Southern Virginia, New College Institute collaborates with the Institute for Advanced Learning and Research in Danville and the Southern Virginia Higher Education Center in South Boston.

Financial Activity for the Year Ended June 30, 2007

	<u>Budget</u>	<u>Actual</u>
Revenues:		
General Fund appropriations	<u>\$1,250,000</u>	<u>\$1,250,000</u>
Expenses:		
Personal services	476,954	410,823
Office and administrative expenses	165,304	164,187
Classroom renovations	295,144	198,502
Outreach and marketing	39,331	39,197
Knowledge managers	14,501	-
Educational programs	<u>258,765</u>	<u>299,124</u>
Total expenses	<u>1,250,000</u>	<u>1,111,834</u>
Funds carried forward to fiscal year 2008	<u>\$ -</u>	<u>\$ 138,166</u>



Walter J. Kucharski, Auditor

Commonwealth of Virginia

Auditor of Public Accounts
P.O. Box 1295
Richmond, Virginia 23218

May 19, 2008

The Honorable Timothy M. Kaine
Governor of Virginia
State Capital
Richmond, Virginia

The Honorable M. Kirkland Cox
Chairman, Joint Legislative Audit
and Review Commission
General Assembly Building
Richmond, Virginia

We have audited the financial records and operations of the **New College Institute** for the year ended June 30, 2007. We conducted our audit in accordance with Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Audit Objectives

Our audit's primary objectives were to evaluate the accuracy of the Institute's financial transactions on the Commonwealth Accounting and Reporting System, review the adequacy of the Institute's internal controls, and test compliance with applicable laws and regulations.

Audit Scope and Methodology

The Institute's management has responsibility for establishing and maintaining internal control and complying with applicable laws and regulations. Internal control is a process designed to provide reasonable, but not absolute, assurance regarding the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

We gained an understanding of the overall internal controls, both automated and manual, sufficient to plan the audit. We considered materiality and control risk in determining the nature and extent of our audit procedures. We performed audit tests to determine whether the Institute's controls were adequate, had been placed in operation, and were being followed. Our review encompassed controls over the following significant cycles, classes of transactions, and account balances:

Revenues
Expenditures

Our audit also included tests of compliance with provisions of applicable laws and regulations. We tested transactions and performed such other auditing procedures as we considered necessary to achieve our objectives. Our audit procedures included inquiries of appropriate personnel, inspection of documents and records, and observation of the Institute's operations. We tested transactions and performed analytical procedures, including trend analyses.

Conclusions

We found that the Institute properly stated, in all material respects, the amounts recorded and reported in the Commonwealth Accounting and Reporting System. The Institute records its financial transactions on the cash basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The financial information presented in this report came directly from the Commonwealth Accounting and Reporting System.

We noted no matters involving internal control and its operation that we consider necessary to be reported to management. The results of our tests of compliance with applicable laws and regulations disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Exit Conference and Report Distribution

We discussed this report with management on May 19, 2008. This report is intended for the information of the Governor and General Assembly, management, and the citizens of the Commonwealth of Virginia and is a public record.



AUDITOR OF PUBLIC ACCOUNTS

JHS/clj

**New College Institute
Combined Budget Estimate**

Fiscal Year 2008-2009

	General Fund	Harvest Funds	HEETF	Tobacco
ALLOCATION	\$ 1,484,809	\$ 1,559,809	\$ 75,000	
Salaries				
Retirement	\$ 60,783			
FICA - salary	33,690			
FICA - wage	2,232			6,510
Group Insurance	5,735			
Med. Ins.	97,212			
Retiree Credit	6,882			
Disability	11,470			
Salaries	573,487			
DC Match	4,800			
Other Fringes		18,120		
Wages	36,000			105,000
Total Salaries	\$ 832,291	\$ 18,120	\$ -	\$ 111,510
Contractual				
Freight Svs.	\$ 350	\$ -		
Postal	5,192	5,000		
Printing Svs.	20,000			
Telec. Non-state	12,000			
Organizational Membership	5,000			
Publication/Subscription	5,000			
Employee Training/Conf.	6,000			
Emp Training/Trans/Meals	4,000			
Employee Tuition Reimbursement	14,000			
CPA & Auditors	0	10,500		
Legal Services	0	10,000		
Creosote	0	65,000		
Guthridge	0	75,000		
Administrative Services	0	9,000		
Grant Writer		20,000		
Media Svs.	60,000	40,000		17,000
Custodial Services.	36,000			
Elect. Repair/Maint. Svs.	5,000			

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FY 08-10 NCI Budget

**New College Institute
Combined Budget Estimate**

Fiscal Year 2008-2009

	General Fund	Harvest Funds	HEETF	Tobacco
Equip. Svs.	\$ 5,000			
Exterminator Svs.	600			
Manual Labor Svs.	2,500			
Prod. Svs.	2,500			
Security	24,000			
Hdwr. Maint.	5,000			
DIT Svs.	1,500			
MBC Initiative	10,800			
DP Svs. St.	2,000			
Computer Software	10,733			
Travel Pers.	5,000	2,000		
Travel Sub./Lodging	5,000			
Total	\$ 247,175	\$ 236,500	\$ -	\$ 17,000
Degree Programs				
Criminal Justice		\$ 109,000		
Homeland Security				190,000
Elementary Ed		93,500		
Motorsports	15,000			252,177
Nursing		100,000		
Social Work		125,000		
Individualized Study	124,000			
Information Tech.		65,000		
Early Childhood Development		50,000		
Allied Health				
Accounting				
Biotechnology				
Counseling (M.S.)	2,000			98,875
Nursing (MSN)		150,000		
Social Work (MSW)		100,000		
Total Programs	\$ 141,000	\$ 792,500	\$ -	\$ 541,052

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FY 08-10 NCI Budget

*New College Institute
Combined Budget Estimate*

Fiscal Year 2008-2009

	General Fund	Harvest Funds	HEETF	Tobacco
Teacher Endorsement & Recert				
Earth Science				\$ 3,000
English as a Second Language				\$ 7,200
Autism (certification)				\$ 9,500
Math and Science Edorsement		\$ 25,000		
Special Ed (BS/MS Endorsement)		\$ 25,000		
Total Endorsements	\$ -	\$ 50,000	\$ -	\$ 19,700
Educational Programs				
VCU Health Mgmt		\$ 10,000		
VCU Summer Institutes		\$ 20,000		
Summer Camps		\$ 5,000		
Total Programs	\$ -	\$ 35,000	\$ -	\$ -
Supplies and Equipment				
Office Supplies	\$ 5,000	\$ 1,319		
Stationery & Forms	3,200	1,700		
Gas	1,200			
Gasoline		1,500		
Packing & Shipping	300			
Bldg. Maintenance	5,000	3,650		
Custodial Supplies	2,500			
Electrical Repair & Main	2,500			
Mech Repair equipment	2,500			
Lab Equipment		300,000		
Catering and Events	7,384	5,171		
Computer Supplies	2,500			
Promotional	55,000			
Educ. Supplies	5,000			
Total Supplies	\$ 92,084	\$ 313,340	\$ -	\$ -

*New College Institute
Combined Budget Estimate*

Fiscal Year 2008-2009

	General Fund	Harvest Funds	HEEFT	Tobacco
Transfer Payments				
Building Rental	\$ 93,211	\$ 28,800		
Electricity	27,600			
Refuse	500			
Water/Sewer	1,700			
General Liability In				
D&O Insurance				
Surety Bonds				
Workman's Comp.	2,500			
Total Transfer Payments	\$ 125,511	\$ 28,800	\$ -	\$ -
Equipment				
Computer Equipment		\$ 25,000	\$ 25,000	
Classroom Technology		50,000	50,000	
Voice & Data Equip.	10,000			
Automobile lease		3,960		
Office Appurtenances				
Office Furniture	10,000			
Classroom Furniture	19,493	6,589		
Office Machines	4,500			
Non-power Equipment	2,755			
Total Equipment	\$ 46,748	\$ 85,549	\$ 75,000	\$ -
Total Expenditures	\$ 1,484,809	\$ 1,559,809 *	\$ 75,000	\$ 689,262

* Harvest Matching funds include \$75,000 to match HEEFT funds

** Over expenditure in year two will be covered by unexpended funds from FY07-08

**Actual and Projected Unduplicated
NCI Headcount Enrollment
(2006 – 07 through 2012 – 13)**

2006 – 07:	118 (actual)
2007 – 08:	250 (actual)
2008 – 09:	325 (projected)
2009 – 10:	425 (projected)
2010 – 11:	550 (projected)
2011 – 12:	700 (projected)
2012 – 13:	900 – 1000 (projected)

January 10, 2006
*Report on the Analysis of Education Demand in Southside
Virginia and Recommendations for Action*
State Council of Higher Education for Virginia

VI. Recommended Higher Education Model

In evaluating the need for a new Southside higher education institution, SCHEV started with the premise that the recommended model should 1) serve the entire Southside region and 2) should leverage existing public and private institutions' assets and resources. Although there is an identified need for physical space and dedicated faculty "on the ground" in the Southside region, the recommended model should also utilize current and emerging educational technologies whenever possible.

To that end, SCHEV reviewed numerous higher education models. As a result of this review, SCHEV presents three sets of recommendations formulated to capitalize on existing assets within three Southside sub-regions—Martinsville, Danville, and South Boston. Although each has a special focus, and some programs would be available only in one sub-region, Southside students would have more convenient access to each of these sub-regions than to other four-year universities in Virginia.

These recommendations assume a partnership relationship among two- and four-year institutions.

This partnership model does not create a new higher education institution, but rather creates a local administrative structure that identifies student demand for four-year degree programs, receives state funding, and issues Requests for Proposals (RFP's) to existing two- and four-year public and private institutions to provide those programs "on-the-ground" in the Southside region. Local administrators may choose to broker electronic courses and degree programs and may issue RFP's to out-of-state public institutions certified by SCHEV to operate in the Commonwealth. For example, four of the ten participating Virginia Out-of-State, Non-profit Colleges and Universities expressed an interest in supporting the Southside initiative. These colleges--Cambridge College, Embry-Riddle Aeronautical University, National-Louis University, and St. Leo University--offer bachelors and master's degree programs.

The recommended model features a set of recommendations tailored to each of three Southside sub-regions—Martinsville, Danville, and South Boston.

Martinsville

There should be a physical presence in Martinsville to serve geographically-constrained students while building on strong community college enrollments at Patrick Henry Community College (PHCC). PHCC currently has excess capacity of 17,500 square feet, sufficient to accommodate an additional 600 students per year. Bachelor's degree seeking students could be served immediately at that site, perhaps with consideration given to funding for additional parking capacity, while local administrators determine if enrollment growth will necessitate additional capital construction. To leverage the Commonwealth's investment in a new health/technology facility recommended for PHCC, the primary new four-year degree programs at that site should be health-related. Teacher education and specialized four-year business programs should also be offered,

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Advancing Virginia through Higher Education

and local administrators should strongly consider interdisciplinary options including “entrepreneurship for establishing health-related companies” and “health education.”

Danville

There should be a physical presence in Danville to serve geographically-constrained students while building on strong community college enrollments at Danville Community College (DCC). To leverage the Commonwealth’s investment in the Institute for Advanced Learning and Research (IALR) and the current public-private partnerships like that between DCC and Luna nanoWorks, the primary new four-year degree programs at that site should be grounded in science, math, and technology. Local administrators should strongly consider interdisciplinary options including nanotechnology, science education, math education, and computer and information science. New degree programs should also be considered for their potential to feed into the research areas led by the IALR.

South Boston

The Southern Virginia Higher Education Center (SVHEC) is funded by the Commonwealth to function as an independent educational institution to encourage the expansion of higher education in the Southside region. Specifically, the Center focuses on: expanding adult and continuing education, associate, undergraduate, and graduate degree opportunities in the region; facilitating teacher training programs; and serving as a resource and referral center by maintaining and disseminating information on existing educational programs and resources.

In creating a two and four year institutional partnership model, there is a strong foundation in place for the first two years. Both campuses of the Southside Virginia Community College are at capacity and the SVHEC offers primarily associate degree programs. It will be important to identify a partner(s) for the second 2 years. Although the SVHEC has identified the need for a set of four-year degree programs that could be delivered there, particularly entrepreneurship and travel and tourism, participation in delivery of four-year degree programs at the SVHEC has been constrained by lack of funding and incentives for faculty to teach off-campus. It will be essential for local administrators to have funds at their disposal to attract “on-the-ground” faculty who can provide the second two years of a bachelor’s degree program.

Additionally, an emerging initiative of the continuing education deans to provide joint electronic delivery of selected four-year degree programs may align well with identified needs in all three sub-regions. A proposed SCHEV Office of Learning Technologies could also create a model for providing technology-enabled higher education in Virginia that leverages existing resources in public and private institutions, provides for the open sharing of new materials developed among participating institutions, and encourages partnerships among public and private stakeholders to provide for local and regional needs for advanced learning.