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OF KINGSPORT

Business Journal of Tri-Cities Tennessee / Virginia

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PHOTO BY KERI STEGALL







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Office 423.854.0140 news@bjournal.com

Publisher William R. Derby bderby@bjournal.com 423.979.1300

Co-Publisher
Jeff Derby
jderby@bjournal.com
423.306.0104

Managing Editor Scott Robertson srobertson@bjournal.com 423.767.4904

Marketing Coordinators
Maggie Cooper
mcooper@bjournal.com
423.863.0750

Richard G. Preston rgpreston@bjournal.com 423.262.7760

Robin Williams rwilliams@bjournal.com 423.794.6938

Creative
Derby Publishing, LLC
Graphics Director / Judd Shaw
jshaw@bjournal.com
423.833.2726





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Maintain Fixed Assets and Depreciation				V
Budgeting Preparation and Analysis		~		V
Cash Flow Analysis/Management		~		V
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Monthly/Year End Close of Books			V	-
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Accounting Training			- 4	· ·
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Income Tax Review/Planning	Yearly	Quarterly	Quarterly	Quarterly
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40 Under Forty honorees will be featured in the December issue of The Business Journal.

Deadline for nominations is August 23, 2019. Nominate online at 40under.com

Cheers to those who put their support behind the next generation of workforce



So, I walked up behind Eastman Senior Vice President, Chief Legal and Sustainability Officer and Corporate Secretary David Golden and **Ballad Health Executive** Chairman, President and Chief Executive Officer Alan Levine poolside during the 2019 Marine Advanced Technology Education (MATE) **International Remote** Operated Vehicle Competition at the Kingsport Aquatic Center. Each of those gentlemen was appropriately decked out

in khakis and loafers, Golden in an event-logo-emblazened golf shirt, Levine in a golf shirt of his own. I was nattily attired in a Henderson Thermoprene 3mm shorty wetsuit,* with a ScubaPro Jet fin in each hand and a matching blue ScubaPro mask and snorkel set atop my very wet head.

Three peas in a pod, we were.

As I inserted myself into their conversation, it took a moment for them to recognize me, sloshily out of context as I was. When Levine finally placed the Richard-Dreyfuss-in-the-last-scene-of-Jaws-looking individual who had joined them, he grinned like the Cheshire Cat and asked, "What...what are you doing?" Before I could explain that I was merely a supportive member of the business community volunteering at the event as a diver, Golden, never at a loss for a quick rejoinder, offered, "He's interviewing the ROVs."

The truth is, I was just one of many volunteers who helped make the MATE event run. The total volunteer roster included around 150 names. From Saturday divers like me (and Washington County, Tenn., Director of Schools Bill Flanary, whom I never knew dove) to judges including Bob Feathers of Workspace Interiors, Benjamin Buchanan of Blackburn Childers & Steagall and Tekai Shu of Strongwell to event emcee Milton Carter of Milligan College, the community showed up to give the 1,500-or-so visitors to the region a warm welcome and a well-run competition.

Around ten percent of the volunteers were from Eastman, no surprise considering the event was hosted by Streamworks, a STEM education program funded by the Eastman Foundation's Eastman in Education initiative.

That the event brought hundreds of the brightest young minds in the world to our region was great. That it showcased to them what a great place this is in which to live and work was wonderful. But to me, what makes activities like those undertaken by Streamworks (and, it must be said, the accountable care community championed by Ballad, the United Way of Southwest Virginia and Healthy Kingsport) truly valuable is the fact that they mesh the business community in with the fabric of the communities in the region.

For some reason, in this day and age, more and more community members who've never run a business look at large employers with a jaundiced eye. "What," they ask, "are they trying to do to us?"

Well, for one, they are trying to employ you. But let's not quibble.

Streamworks and the accountable care community both add, not only to the perception that major employers are productive members of their communities, but to the catalogue of real benefits that will help grow prosperity in the region, given the chance.

The accountable care community doesn't just hold meetings to wring its collective hands over the health issues facing the region, it works to address them, taking the first steps to creating a healthier workforce as a region.

Streamworks doesn't just sponsor and host competitions, valuable though they are. It teaches our young people skills they otherwise would not have before entering the workforce.

Make no mistake, the workforce is the key to the economic future of the region, and I don't mean in a decade or more. Internship programs being run in Virginia by the United Way of Southwest Virginia and in Tennessee by the First Tennessee Development District are bridging the gap between teenagers in the public education system and employers who need to replace retiring baby boomers. The businesses that employ those interns are setting themselves up for success down the road.

So, here's to the businesses with the forethought to address workforce issues now. If more of us adopt their mindset, the region's economy may not be underwater when the next economic downturn hits.

*Special thanks to Zachary Machuga of Immersed Scuba in Kingsport for the use of the BCD and the big bottle of breathing gas. I couldn't have interviewed the ROVs without it.



ECU opens support center in Kingsport



By Dave Ongie

Eastman Credit Union officially opened its new support center with a ribbon cutting June 22. The building is located on Wilcox Drive, adjacent to MeadowView Conference Resort and Convention Center along a main gateway into Kingsport.

At 60,000 square feet, the ECU Support Center is slightly larger than the company's headquarters and will accommodate more than 200 workers. The company's training and development department will call the building home, and the consumer lending phone group, title and escrow, central underwriting and mortgage support services will also be housed in the new building.

ECU did not provide a price tag for the facility, but Olan Jones, the company's president and CEO, noted that ECU had added 40,000 members and \$1 billion in assets since the project was announced two years ago.

"We probably did not expect or predict that, but nonetheless, that was a positive development that occurred," Jones said. "We had seen a fairly substantial increase in our membership that really necessitated staff additions to support it. At that time, we were really approaching the capacity of our existing admin facilities in Kingsport, but since then, we've experienced exponential growth."

ECU employs more than 500 people in Kingsport and another 300 employees at branches throughout Tennessee, Virginia and Texas. Jones said around 140 employees will occupy the first three floors of the building, and once the fourth floor is completed, well over 200 ECU employees will work in the facility.







Mortgage rates down, pending home sales up in May

New approved contracts for existing home sales saw an expected seasonal bump in May, and the number of active OK'd contracts moving toward closing increased proportionally.

There were 958 new contracts (pending sales) in May and 1,350 in the active file, according to Realtor Property Resource (RPR).

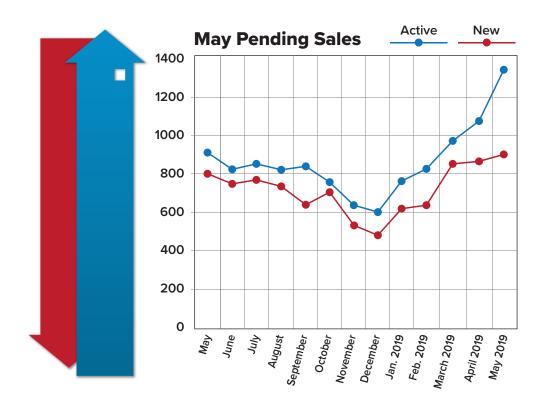
The Northeast Tennessee Association of Realtors' (NETAR), Pending Sales Index shows new contracts were 8 percent higher than May last year. The active, pending sales index, which includes OK'd contracts from previous months that have not closed – was 12 percent higher, the highest it has been in three years.

Pending sales are a leading indicator of housing activity based on signed contracts for existing single-family homes, condominium, and townhome resales. Since resales go under contract a month or two before the deal is closed, the index typically leads existing home sales by a month or two. The index is based on a year-over-year rolling average of both new and existing resales compared to the rolling average of the current month to take some

of the statistical noise out of the data. Under normal market conditions, it's not unusual to see up to 5 percent of contracts fall through. In today's market, that fall-through rate is often much higher due to contract contingencies.

"The 30-year mortgage rate decline has leveled off and been under 4 percent since late May. Buyers interpreted that as a sign to lock in lower mortgage payments while they were at this year's record lows. And, the slight slowing of existing home sales growth rate is nudging sellers to the position that now is an opportune time to sell," said NETAR President Karen Randolph.

So far this year new listings are almost 9 percent better than the first five months of last year while new pending sales are up a little more than 14 percent from last year. The region had 3.7 months of inventory in May. That's the number of months it would take to exhaust active listing at May's sales rate, said NETAR data analyst Don Fenley. It's also the tightest inventory the region has seen in two years.





IGNITE internships introduce high schoolers to workplace opportunities

by Scott Robertson

Through its IGNITE program, the United Way of Southwest Virginia has spent the last few years attempting to bridge the gap between education and employment in the region. This summer marks the next phase of that effort, the implementation of an internship program in which students as young as 16 are paid for work at area manufacturers, businesses, and public institutions.

Melinda Leland oversees the IGNITE internships. She brings a level of expertise to the role from her years as dean of Workforce Development and Continuing Education at Virginia Highlands Community College.

Leland, already fully cognizant of the political tightrope walk of not threatening existing education-based programming while creating new, effective programs, said Virginia's own "Profile of a Virginia Graduate" standards pointed the way toward establishing the internships.

"High school freshmen this year, have to have some workbased learning in order to graduate," Leland says. "Now our research says a lot of students are lacking soft skills. At the same time, a lot of students don't work during the summer."

The internships allow students to learn soft skills while learning about existing employment opportunities within a few miles of their homes, and picking up some technical skills along the way.

The United Way provides each intern with eight hours of pre-workplace training on basics of workplace decorum and responsibility. Then each company pays the intern for 80 hours of work.

Under those terms, 33 companies stepped forward this year to create 94 positions. "Currently we have 14 schools with students that have applied, 16 companies who have hired interns at this moment, and 25 interns that have been hired," Leland said in late June. "We will probably round that number up to about 32 interns."

Among those interns are McKenzie Barger, a recent graduate of John Battle High School, who is currently learning lean business practices, and Jules Lemmon, a rising senior at Holston High School who is working in global sustainability, both at Universal Fibers.

"My work changes week-to-week," Lemmon says. "Last week I was redesigning metric boards and making data more interesting. This week it's 3D printing wind turbines to teach kids about renewable energy."

Says Barger, who plans to attend Radford University this fall, "I have been wanting to go to college and get my degree in software engineering and cybersecurity. But also, I have looked at getting a job here, maybe applying in the IT facility because it would go hand-in-hand with what I'm going to do in the future."

Rick Nunley, director of Human Resources at Universal Fibers, says the plant on Industrial Park Road in Bristol employs around



Intern McKenzie Barger at work at Universal Fibers. PHOTO BY KERI STEGALL

500 employees, but that with the graying of that workforce, the need to find young talent is paramount.

"Finding future workers is always a concern in the manufacturing sector because a while back it lost some of that appeal to students in the schools and in homes. This is an opportunity for us, because our tenure level is around that 17- to 20-year mark. Knowing we have future voids in our pipeline, any opportunity that we have to corral, teach, train and have the possibility to retain young people here at Universal Fibers is on the high priority list."

High school students generally don't consider all the options available to them in manufacturing simply because they're unaware of those options, Nunley said.

"Our students in high school have probably never had any exposure not only to Universal Fibers, but to any manufacturing operation," Nunley said. "So this entry into what we do here has to be somewhat exciting for the interns, but it also has to have a purpose and a meaning that they can leave here and know that there is a connection between what happens here and what they want to do with their lives.

"We're proud to be a part of this internship program, simply because of the cradle-to-career concept that it brings to the table," Nunley says. "This is a great grass-roots effort to get some manufacturing exposure down into the school-age student level."



Northeast Tennessee contractors volunteer to take interns as young as 15

by Scott Robertson







Interns from Daniel Boone, David Crockett and Johnson County High School. PHOTOS COURTESY NOR-WELL AND ACORN ELECTRICAL SPE-CIALISTS, INC.

In Northeast Tennessee, the workforce crunch caused by the graying of the workforce and the outmigration of the younger demographics is not as pronounced as it is in Southwest Virginia, however it remains a significant factor in the human resources planning of major employers. With that in mind, the First Tennessee Development District has worked with contractors to implement a new internship program. Around 30 students from three high schools in Washington and Johnson counties have taken paid internships with an electrical contractor, a mechanical contractor and a general contractor.

The initial results, says Tommy Woods, president of Acorn Electrical Specialists, Inc., have been positive. "I really wasn't hesitant about this, but it's actually turned out better than I expected it would have. We've been very fortunate. None of them has caused us any grief and they have just been an asset."

Shane Townes, prefabrication manager at Nor-well in Elizabethton, says after a short time, the interns have proven, "able to do everything that our tradesmen do." That includes welding steel pipe and doing prefab work on commercial buildings and HVAC at the prefab shop. "They do everything from welding, grinding and cutting to sweeping up."

Most employers in manufacturing and the trades are warned off employing anyone under the age of 18, especially for potentially hazardous work. In Acorn's case, however, the insurors only suggested a higher level of vigilance on the part of management. "Our insurance company said they (the interns) were covered,"

Woods says. "They cautioned us about letting (younger interns) drive company vehicles and about having them be in hazardous locations, so forth or so on. But, they said if we did, and they had an accident, we were covered."

Which is not to say Acorn is throwing caution to the wind. "Of course, we wouldn't let any of them drive our vehicles," Woods says. "And, we're selective. After you work these interns for a few days, you get an idea of their capabilities and places to put them." That being the case, Woods says, bringing the interns on board was less about shielding them from potential hazards and more about finding work for each student that would benefit both the intern and the company.

"The one young lady – we have an engineering division where we actually build electrical control panels for machine processes. She seemed very interested in that, so we put her in that group and she's excelled. The remainder of the young men, except for one, are out in the field. They're working with electricians, learning how to bend conduit, install wiring and install panels. And then the youngest gentleman, who is 16, we keep here at the office. We manage quite a bit of inventory coming in for the jobs. We buy in bulk and then distribute to our jobs. So, he is in that group."

The proof of concept for the employers is that they've already hired some of the interns to stay on past the end of the internship, Townes says. "This program has exceeded our expectations...it's definitely enlightened us and it gives the interns an idea of whether or not they really want to work in this field."

ETSU Department of Computing adds Cybersecurity and Modern Networks concentration

The knowledge and skills needed to protect digital resources are in high demand. In fact, cybersecurity is the fastest growing specialty in the tech field. East Tennessee State University is preparing students to enter this burgeoning career field through a new concentration in Cybersecurity and Modern Networks.

The Department of Computing will admit its first cohort of undergraduate students to the Cybersecurity and Modern Networks (CSMN) concentration in fall 2021. To qualify, students must complete two years of foundational computer science courses at ETSU, therefore, students entering ETSU in fall 2019 will be the first group eligible for the CSMN concentration.

The announcement of ETSU's new CSMN concentration follows an executive order issued by President Trump last month calling for increased training and an expanded cybersecurity workforce. The ETSU Department of Computing has created a curriculum that stands out among other cybersecurity training programs.

"There are many of these types of programs available, but our emphasis on incorporating contemporary issues around modern network applications, IoT (Internet of Things) and cloud computing will make us unique," says Dr. Tony Pittarese, chair of the Department of Computing. "We will focus on protecting our digital resources not only as it resides on computer systems but also as it travels from place to place."

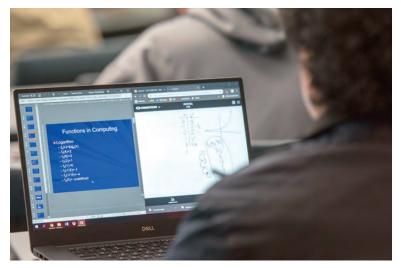
Coursework will cover secure coding, computer forensics, ethical hacking and other relevant cybersecurity issues. Pittarese says the curriculum was developed with input from local business leaders and alumni, and the concentration will have a selective admission process.

"We want to recruit the absolute best and brightest students to take advantage of the cybersecurity training," he adds. Current ETSU students may take cybersecurity and modern networks classes and learn to apply those skills through internships. One student who is already doing so is Wyatt Powell. During the spring semester he tackled courses in the cybersecurity field while interning in IT Development at Eastman.

"Cybersecurity is the most dynamic part of computing as a whole, so the fact it is constantly changing means I can't get complacent," Powell says. "It keeps me engaged. I can ethically be trying to show a fault in a system or trying to build up prevention and defense mechanisms against those threats. It's the opportunity to do "good cop, bad cop" in your work, which I am really interested in. It's really an engaging field of study."

The internship at Eastman has taught Powell skills beyond the keyboard and monitor, he says. "It (internship) has motived me to become a lot more personable. A while ago, I would not have been able to talk to others as concisely or clearly as I can now, and that's just because while I have been here I have been made to talk to people. It's part of the job description."

"The biggest part of my day is research," he says. "Since cybersecurity is such a big field, research is the most important element of any day. I will get assignments that require high-level thinking and I



Students study cybersecurity in a class taught at the Millennium Center at ETSU. PHOTO COURTESY ETSU PHOTO LAB

won't always know the 13 things I need to do address the original request, so I have to find the best way to go about it. I collaborate a lot with my team members to discuss how to build the web of IT at Eastman. If I'm not researching or talking to others, then I am trying to do something to reach my daily goals."

Many classes will be co-taught by teams of ETSU faculty members and industry practitioners, Pittarese says. Sections of the Millennium Center are being renovated in phases to accommodate the CSMN concentration, which will expand research opportunities and open doors for new partnerships with government agencies, such as the FBI, as well as law enforcement and business.

Cybersecurity classes will be available to undergraduate and graduate students in other computing concentrations.

"There is high demand in this region and beyond for cybersecurity skills," Pittarese says. "Even if you are training for a career as a programmer, you will still need to know elements of cybersecurity. It has grown from a profession to a practice everyone needs to know about."

Upon graduation, students will have the skills necessary to anticipate, plan and manage threats to systems operation; plan for, respond to and recover from violations of system security; and implement secure and efficient modern networks.

The benefit for the business community is an immediate influx of employment-ready cybersecurity specialists. "Academics have to be in general so that we learn the fundamentals," Powell says.

"The internship has helped me develop those fundamentals into actual skills that are applicable and useful. Instead of learning about encryption in a classroom, today I actually started developing an encryption system for logging protocols by implementing what I've learned in the classroom, taking those fundamentals and laying the groundwork for a system that will be beneficial to the company."



King University Enters Partnership Agreement with SVHEC

by Scott Robertson

King University has entered a new partnership agreement that reinforces its commitment to expand academic offerings and enhance student services in Southwest Virginia.

The revised agreement with the Southwest Virginia Higher Education Center (SVHEC) in Abingdon establishes King as a full partner with dedicated office space for an enrollment counselor and full access to classrooms and labs within the 100,000-square-foot Abingdon facility. "King University is excited to become a full member of the Southwest Virginia Higher Education Center. We have enjoyed a long-standing relationship with the Center, said King University Provost Matthew Roberts, "It is now time to demonstrate our commitment to the students of the region by becoming full members of this successful Higher Education initiative and offer more program and services to the people. We are proud to continue our history of serving the Southwest Virginia region."

The move allows King to add a Bachelor of Science program in Criminal Justice and an accelerated MBA for Professionals at the center in fall 2019. King will also add other programs based on the needs of the community.

"King has done a really good job of researching where the skills gaps are for the economic development of our region for employers and what they need. They're stepping up to the plate and they're filling those jobs. So, it's just a really good natural fit. They've got a great team down there," said SVHEC Executive Director David Matlock. "We look forward to working with the university to provide educational opportunities to the citizens of our region."

King currently offers a Bachelor of Science in Nursing for those currently licensed as registered nurses (RN-to-BSN), a Family Nurse Practitioner Program offered as part of its Master of Science Degree in Nursing, and a Bachelor of Science Degree in Social Work at the Abingdon center. All have been highly successful, said Roberts, noting that enrollment in the Social Work Program has seen double digit growth of students in less than two years.

"That nurse practitioner program has just been amazing," Matlock said. "It's a two-year program, so people who have a bachelor's of science degree in nursing come here. It's a physical program - they may take one class online each semester, but the majority of the classes are live, physical, rear-ends-in-seats type classes. That's a hands-on field. It's very difficult to do some of that virtually."

The nurse practitioner program will graduate its second cohort in August, Matlock said, meaning 45 new nurse practitioners have entered the regional market since the program began. "Their fifth cohort will start in December, so while we're graduating one cohort, there will be two active cohorts of 24."

Matlock said he is excited to begin hosting the B.S. in Criminal



King University Alexander W. Whitaker IV and Southwest Virginia Higher Education Center Executive Director David Matlock shake hands after signing the new partnership agreement.

PHOTO COURTESY KING UNIVERSITY

Justice program this fall. Several regional community colleges offer associate's degrees in the field, he says, but King's offering will take that education a step farther. "We have a lot of people in our criminal justice profession in the region who need to go from an associate's degree to a baccalaureate degree to get a promotion. There's going to be a skills gap, and they're rising. A lot of the senior officers and senior administrators are ready to retire. In order for these young people - or younger in the profession - to be promoted, they need that baccalaureate degree. So, what King's going to do is they're going to be broadcasting here and we're going to be sending it to Mountain Empire, Southwest Virginia and Wytheville Community College's campuses so that students don't have to come all the way here. And then their instructor will rotate."

Each program will benefit the students and the region, Roberts said. "King is proud to provide quality educational opportunities for students in Southwest Virginia and to contribute to the skilled workforce that is vital to our region's economy. We're confident this agreement will allow us to better serve those who already have entrusted us with their educations and to find new ways to serve others."



Tusculum's new optometry school clears key hurdle

by Dave Ongie

Tusculum University's drive to open the Niswonger College of Optometry cleared another key hurdle recently when the school was given the green light to offer doctoral degrees.

The Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) has authorized allow Tusculum to grant a Doctor of Optometry to those who graduate from the Niswonger College of Optometry, which is scheduled to open next year provided the college receives required approvals. University president Dr. James Hurley and founding dean of the Niswonger College of Optometry Dr. Andrew Buzzelli announced the news on June 25 inside the Meen Center.

In order to offer a doctoral degree in optometry, Tusculum had to be certified by SACSCOC as a Level V higher education institution, a process that required a lot of paperwork. Dr. Carl Larsen, Tusculum's assistant vice president of academic affairs for institutional effectiveness, said the school had to give SACSCOC detailed information about the curriculum, student support services, information technology, library resources and a financial plan for the new college.

"Starting with the level change is huge, because without the level change, we would have no college of optometry," Hurley said. "It's a game changer for the region because of access and opportunity."

Indeed, Hurley and Buzzelli both reiterated that establishing the 24th college of optometry in the country – the fifth in the South – is about far more than simply churning out optometrists. Buzzelli said given the high instance of blindness in our region, establishing the new college ties directly in with the mission Tusculum has maintained through its 225-year history.

"We are about civic engagement," Buzzelli said. "That's a natural outgrowth for us to continue our civic engagement mission."

"We do live in one of the blindest congressional districts in the United States," Hurley added. "That's a statistical fact that we have to deal with and address."

With that being said, Buzzelli said the new college will help Tusculum fulfill its mission to better the lives of those in our region in a couple of ways. First of all, the College of Optometry will aim to help improve the health of those who live in our area by addressing underlying health problems in the local population. A partnership with Ballad Health will give Tusculum's future optometry students valuable field experience while providing care to local residents who might not otherwise have access to it. Secondly, Buzzelli expects the new college will give local kids the opportunity to get a quality education close to home in a high-paying field, and he believes those future students might be inclined to stay close to home following graduation. Retention of graduates from local colleges and universities is a high priority for local governments and businesses, and Hurley believes



Dr. Andrew Buzzelli, the founding dean of the Niswonger College of Optometry. Photo BY DAVE ONGIE

establishing programs like Tusculum's new optometry school can only help those efforts.

"Every region in America deals with some sort of 'brain drain' dialogue," Hurley said. "You have your county mayors and your city mayors and your congressional leaders all conversing about, 'How can we keep our best and brightest?' I think for us, our economy has to be an 'educonomy,' an economy built around education.

"This is one of our first steps in being about to provide our young people an opportunity to stay in Appalachia, create a new economy and really focus on not only meeting health care needs, but creating true systemic economic development."

Buzzelli expects 70 students in the first class of the Niswonger College of Optometry next year, and he eventually expects to hire 35 faculty members once the program hits its full stride. He added that making a positive economic impact is part of any dean's job, and the new college is already off to a fast start in that regard.

"As dean of a school, I have to produce jobs for this area," Buzzelli said. "That's part of the job.

We've been here a year and a half, and my payroll just in optometry alone is just over three quarters of a million dollars. The faculty (members) are here. They live here, they eat here, they shop here, so it's one of the things I'm particularly proud of. We have an impact not only in education, but we also have an impact on our region."



Workforce a hot topic during Roe's roundtable discussions

by Dave Ongie

Pennessee First District U.S. Congressman Phil Roe heard from manufacturers, women in business and construction professionals during three June roundtables in Johnson City. Workforce development was the common thread that ran through all three.

After opening his manufacturing roundtable by ticking off all the positive indicators in the manufacturing industry, Roe listened as John Stewart, CEO of Nuclear Fuel Services

(NFS) explained the headwinds NFS is facing locally. Responding to Roe's question about what keeps him up at night, Stewart said, "Ensuring that we operate our plant in a safe, compliant manner without catastrophic upset keeps me up at night. The only way we can prevent that is to have highly trained,

skilled workers working around the clock."

NFS has struggled to hire enough quality employees just to keep pace with the retirement of older, more experienced workers, Stewart said. "Last year, I hired 40 people, and my headcount remained the same," Stewart said. "So we're going through a large demographic change where we're having



John Stewart



Phil Roe

significant retirements. This year I've hired 55 people, and I'm just slightly gaining on attrition there."

Population growth in our region has been stagnant, talented young people are opting to move to metropolitan areas and many of those in the market for jobs don't have the skills necessary to do the work required of

Stewart said there is a desperate need to show high school students the world of possibilities available to those who learn a trade. "My sense is that we missed a generation," Stewart said. "We sent them to get bachelor's degrees that are not useful in the marketplace, and we're now just realizing it and trying to take corrective actions and rejuvenate the trade tracks."

Citing the renewed sense of optimism among those in the manufacturing industry, Roe said he is hopeful a new generation of workers will be able to identify the opportunity ahead and help spur economic and population growth in our region. "In my lifetime, I can't remember a better time to graduate from high school or a technical school," Roe said.

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What is a COPA, anyway?

Certificates of Public Advantage (COPAs) can be granted to hospital systems whose mergers would likely be prohibited by federal antitrust enforcement due to the market power they create. "State action immunity" doctrine allows states that create a "clearly articulated policy" to displace competition provided they actively supervise any activity resulting from the policy.

The merger that created Ballad Health is governed by such policies and by active supervision in both Tennessee and Virginia. Mountain States Health Alliance and Wellmont Health System had to show that by merging, they could create enough advantages – in prices to

consumers, in quality, in access and in population health improvements – to outweigh the resulting monopoly's disadvantages. Once they determined the systems had cleared that bar, Tennessee granted a COPA and Virginia a "Cooperative Agreement."

The states' attorney generals' offices and departments of health in Virginia and Tennessee jointly supervise Ballad. Following the states' approval of the Ballad COPA, in November 2017 the Federal Trade Commission – which had urged the states to deny the application – solicited research about COPAs' impact on prices, quality, access and innovation for healthcare services. The recent workshop on COPAs grew from that solicitation, and it prominently featured the Ballad merger – by far the nation's largest and most comprehensive COPA to date.

FTC workshop: Ballad's story has national audience

by Jeff Keeling

Ballad Health and its regulators in Tennessee and Virginia appear in for a ride as long and windy as the narrow highways that snake through Ballad's large, mountainous service area. A day-long, Federal Trade Commission-organized "Health Check on COPAs" in Washington June 18 made that clear.

Economists, academics, FTC representatives and regulators who'd overseen hospital mergers governed by "Certificates of Public Advantage" in Montana and North Carolina (see related story) all shared experiences and findings about the effectiveness of state-regulated health care monopolies.

If regulation can produce better results than the competitive marketplaces it supplants – a minority position among the speakers – that regulation should be strong, specific but flexible, and built to last even under political pressure, speakers said.

Those themes were repeated at the workshop, and throughout the day, the Ballad Health COPA was center stage. FTC Chairman Joseph Simons mentioned Ballad in his opening remarks, when he also noted "an uptick" in COPA legislation activity, including a change to the law in Texas, which leads the nation in rural hospital closures.

Simons stood by the FTC's preference for competition, but said the commission is "sensitive to the challenges faced by providers" in today's health care system. Workshops like the "health check," Simons said, help the FTC keep its enforcement and policy decisions "grounded in sound economics and rigorous empirical analysis." Such analysis on COPAs is scarce, he said, and more is needed, "so we can better understand what COPAs do or do not do with respect to prices, clinical quality, patient access and innovation."

The first workshop session, "Retrospective Empirical Studies on COPAs," revealed that those studies – mostly about consumer prices – were limited in their scope and left researchers wanting access to much richer data. One study did touch on quality, finding that it

actually declined following an FTC-opposed merger in Georgia.

The price studies used public inpatient data. Panel leader Leemore Dafny of Harvard University said that data isn't granular enough – and she called for consideration of a "6B" study, which would allow the FTC to subpoen a non-public information. "That would enable researchers to really look closer and try to identify exactly what's going on with these transactions," Dafny said.

What about Ballad?

When the Ballad merger's turn came, hard information was even scarcer – the COPA is less than 18 months in – but opinions were plentiful. Richard Cowart, an attorney representing Ballad, touted an effort he said was about the overall physical and socioeconomic health of a demographically challenged region.

"The problems that have to be addressed here are not going to be addressed in the marketplace and in a pricing model."

Dr. Scott Fowler, CEO of Holston Medical Group in Kingsport, and John Syer, a vice president with Anthem Blue Cross and Blue Shield in Virginia, took a different approach. They said Ballad's market power gives it ample opportunity – even with the COPA – to act in ways that may increase costs to consumers, stifle competition in outpatient markets and slow use of the kind of innovative payment models that can often improve quality and lower cost.

In the middle were Janet Kleinfelter, who helps oversee Tennessee's COPA in her role as a deputy attorney general; Joseph Hilbert, Virginia Department of Health's deputy commissioner for governmental and regulatory affairs; and Erin Fuse Brown, author of a fall 2018 study on the Ballad COPA.

"(Tennessee and Virginia) must define what a successful COPA looks like to them," said Brown, a law professor whose September 2018 report on the Ballad COPA was published by the Milbank Foundation.



The Federal Trade Commission convened the panel discussion June 18 in Washington, D.C. PHOTO BY JEFF KEELING

"They have to know and keep very clear at the forefront of their mind what this whole enterprise is setting out to do," Brown said. "Because it's such a risky undertaking, the state has to really commit to remain vigilant not for 10 years, not for 20 years but forever ... unless new competition enters the market. If you have a monopoly, you need a COPA."

Kleinfelter said Tennessee and Virginia have worked very hard to create strong regulation and plan to continue adapting it as needed. She said her office felt fortunate to be able to review other states' COPA experiences.

"There are people way above us who make those decisions (regarding approval)," Kleinfelter said. "We're the ones who have to implement it, we're the ones who have to come up with the regulatory scheme, so what we attempted to do was to try and pick out the best things that we could as well as adding our own provisions," she said. Those included a requirement that the "Terms of Certification" governing the merger will stay in place for at least 25 years even if the legislature repeals the COPA.

Hilbert said his state's active supervision includes a sharp focus on bettering the health status of Southwest Virginians, which he said "has long defied attempts to improve." Virginia officials and Ballad are still at work finalizing metrics across six plans and 31 strategies, and Hilbert was cautious about predicting anything.

"It's our observation that Ballad has a lot of balls in the air right now," he said. "They're juggling a lot of things, so with the process and outcome metrics audit, can they actually pull this off? Can they actually do what they said they wanted to do? Can they deliver on what they promised?"

Hilbert said Virginia regulators expect the system to deliver. "This isn't something they can farm out, they can't contract this away. They have to be the leader. That's our expectation."

Competitive concerns

While Kleinfelter said "the real test of how effective this COPA's going to be is going to be probably not until beginning in years three, four, five," Fowler and Syer expressed concerns about the here and now.

Syer, whose company is by far the dominant commercial payor in Southwest Virginia, said Anthem's contracts with independent physicians emphasize "value-based contracting and improving outcomes." That model, Syer said, is hampered when doctors can't choose where they send services. As an example, he said laminectomies had typically been sent to one legacy Ballad system and back surgeries to another because in each case, "the outcomes were better" at one system. "That dynamic no longer exists, and it's problematic for us and it's problematic for our customers."

Fowler left the Ballad session determined to continue advocating for strong regulation, but concerned that politics could blunt the regulators' ability to be effective. He said independent providers need fair access to data and a level playing field as health care models continue shifting from inpatient to outpatient and from fee for service to value-based payment.

Those trends can benefit consumers most if some competition is preserved and patients receive high quality care in the least expensive setting, Fowler said. Ballad, he said, appears to have taken some opportunities to use market power and shift care from independent outpatient sites to more expensive, hospital-affiliated settings.

"I think regulation of what happens between the inpatient and outpatient market in a place where an inpatient monopoly has been granted has to recognize that that anomaly can create vertical monopolies inside," Fowler said. "It can go to home health, it can go to lab, it can go to surgery centers."

SEE FTC, 18

BJ Features

FTC, CONTINUED

Brown agreed that trend is worth studying. "You can't get the impact on the value-based purchasing or the outpatient dynamics you're describing if you only study inpatient prices," she said. "I think also the total spending, because moving more people into higher-cost settings will be reflected in total spending analyses instead of just focusing on the effect of the COPA on inpatient prices."

Dafny had made a similar observation in an earlier session. "Even if prices are constant, if regulated entities redirect services to more expensive sites of care with potentially bad or potentially good consequences for consumers, these are not things you would observe in these (public data) price studies."

The states taking a broad view

Kleinfelter said the COPA incorporates factors the FTC doesn't normally consider. She and Hilbert noted the deep-rooted population health and economic challenges faced in the Ballad region impacted the COPA and how important they were in what she said was a "very, very difficult decision" to approve the merger.

"One of the statements I heard during the review process that really has stuck with me ever since then was actually from one of our local health directors in Southwest Virginia," Hilbert said. "She said 'the strong competition between the applicants has failed to provide meaningful, visible benefits to the people of Southwest Virginia in terms of access to care and improvement in health status.

"So not to denigrate competition in any way, but we were hearing alternative views that again speak to the complexity and difficulty that went into this decision."

Still, Kleinfelter said she welcomed the FTC discussion and the opportunity for continued study and scrutiny.

"The more analysis, the more empirical data that we have as to the effectiveness of the COPA, and not just from a pricing perspective and not just from a quality perspective, but from how have we actually been able to improve the health of the population, how have we been able to create access to health care — all of the factors that are listed in the index by which we are testing this COPA — the more information that we have to help us go forward with the next application that we may see, we think is entirely beneficial."

Brown said she believes the Tennessee and Virginia's COPA structure makes it possible to achieve cost constraints and measure quality and access.

"The systems that Tennessee and Virginia have built, their indices, they really do touch on all of these dimensions – price, quality and access," Brown said. "The main concern that I would have is how do we resist the incentives to maybe repeal the COPA oversight 20 or 30 years from now. How do we avoid what happened in North Carolina, in Montana (in the Ballad footprint)?"

Fowler said he'll continue advocating at the state level, "trying to create recognition of where the patients of our community might not be served under the current (regulations) or the current operations of the hospital. I don't think people have bad motivations. I think people

do what's in their financial best interest."

He said the event's discussions left him, "both encouraged and also recognizing that this has a huge political component to it. The ability to change things just means that there's room for political influence to play a role. I like competition better than political influence, and I think Ballad has a tremendous advantage in political influence compared to really anybody else in the community."

While it didn't provide any clear answers, in her opinion the workshop checked the FTC's boxes, the commission's Stephanie Wilkinson told *The Business Journal*. She said the workshop presented a broad range of perspectives, some new information and potential areas for further study.

Wilkinson said the FTC is trying to get a handle on the Ballad COPA's actual impact – both benefits and potential anticompetitive harms that may occur that the regulation can't mitigate. "We're still trying to learn about that ourselves."

The commission was interested in maintaining an open mind, she said. "We're not just looking at, 'are there potential harms from COPAs.' We want the whole story. We want to know what's happening, good or bad."



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Montana, North Carolina experiences show COPAs no cakewalk

by Jeff Keeling

Limited data show that a COPA in Montana succeeded in Controlling inpatient hospital costs to consumers. That finding wasn't enough to make a COPA advocate of the man who regulated Benefis Health System in Great Falls. In North Carolina, results for consumers were more mixed at Mission Health. Yet when those COPAs were repealed, North Carolina's regulator, like Montana's, thought his state's regulation should stay in place. And at least in Montana, post-COPA price data show negative effects for consumers.

Kip Sturgis didn't much like it when North Carolona legislature passed a COPA statute that enabled the creation of Mission Health in Asheville in 1995. On the other hand, the Special Deputy Attorney General for North Carolina's Department of Justice said he also wasn't happy when the legislature repealed the COPA in 2018.

"The legislation was passed over my dead body and repealed over my dead body," said Sturgis, who led regulatory oversight prior to the Mission COPA's repeal – and Mission's subsequent sale early this year to for-profit giant HCA.

"This is not bringing back good memories," Sturgis said during the "Completed COPAs" workshop session that reviewed the Mission COPA and the Montana COPA that allowed creation of Great Falls' Benefis Health System in 1996 (and was repealed in 2007). Sturgis' Montana counterpart, Mark Callister, shared those opinions despite the fact that inpatient prices dropped more than 12 percent after the Benefis COPA and didn't reach pre-COPA levels for five years.

Callister entered his job with a pro-competition bent. He said he "foresaw all the issues that would come with regulation." He often felt like a punching bag during the COPA term as the state became "the referee for all the disputes between the hospital and other participants like doctors, third party payors, health plans and competing service providers."

Yet when 2006 rolled around and Benefis lobbied for the COPA's repeal, Callister and the DOJ concluded "that while

SEE COPA, 20

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COPA, CONTINUED

competition had increased there was still a need for continuing regulation." That conclusion was partly based on the cost data he had available. "(I was) frankly surprised that (rate regulation) worked as well as it did. It certainly was not perfect, and it was frequently modified and adjusted."

The DOJ lost. Callister believes that's because politics ultimately dominated the COPA process, and Benefis dominated the politics.

"There was tremendous political pressure on the Montana Attorney General throughout the entire process," Callister said. "Ultimately Benefis resorted to politics to get the COPA regulation terminated, but all the market players went to the political arena to try to get things done, and that's a real problem in my view with the COPAs."

So, while he wasn't a true believer, Callister opposed the Benefis COPA's repeal, and he also admits that the alternative to the 1996 COPA approval may have been worse given Great Falls stagnant population and high percentage of patients on Medicare and Medicaid. "You can make the argument that because of this unique market it may be it was headed for a single hospital and the COPA allowed more efficient transition with cost savings (estimated at \$10 million annually) that were passed on," Callister said.

In North Carolina, keeping Mission in line wasn't easy. In an earlier discussion, FTC economist Lien Tran cited studies that seem to show "despite the price caps, the COPA oversight did not



John Goodnow argues for sunsetting COPAs.

prevent Mission Health from raising prices under the COPA."

Mission's COPA included margin caps preventing it from exceeding the mean operating margin of comparable facilities, but left loopholes – including limiting oversight to inpatient activity. Economist Cory Capps advised Tennessee during the Ballad COPA application, consults for private firms and government agencies on market power and antitrust cases, and also studied the Mission COPA.

Capps said Mission appeared to push costs outside of the hospital proper, which allowed it to keep its margins inside the regulatory standard set by the COPA. "It's difficult to design a

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regulatory scheme that is hard to evade, because there are a lot of moving pieces in the healthcare system," Capps said.

For his part, Sturgis said he simply wishes he'd known more going in. "Had I known in 1995 about quality metrics ... we would have put them in the COPA and called on the hospital system to give us detailed reports and keep records, and have incentives and disincentives. Same thing on cost control. With hindsight I would have management financially incentivized to control cost."

The aftermath

Benefis CEO John Goodnow argued otherwise during the panel discussion, but a study by Christopher Garmon, a former FTC economist and assistant professor of health administration at the University of Missouri-Kansas City, may bear out Callister's belief he was right to oppose the COPA's repeal in Montana. Garmon's study of inpatient price showed Benefis price increases exceeding those of a control group.

In an earlier panel discussion, Garmon said the study "suggests the COPA was effective in constraining prices to the level of other duopoly markets in Montana. After the COPA repeal, the commercial inpatient price increased by at least 20 percent. That suggests that the COPA removal led to higher prices consistent with an unconstrained health care provider with market power."

Benefis's Goodnow countered that Montana Hospital Association data show the system's prices still 6 percent lower than the state average. Goodnow acknowledged, though, that the difference was about 20 percent prior to the COPA repeal. "After the COPA there's been some price erosion but the Montana Hospital Association data shows that we don't have a price advantage."

Goodnow's contention didn't sit well with fellow panelist Kendall Cotton, policy advisor for Montana's state auditor's office. Cotton said sunsetting the COPA after 10 years offered a "perverse incentive" to Benefis. He mentioned what he called "dramatic" cost increases since the COPA's repeal, Benefis's resistance to a state employees' pricing initiative to lower health costs, and a greater than normal disparity between executive pay and that of other hospital employees.

"We've seen this idea of monopolistic exertion of power in the marketplace with Benefis today," Cotton said. "We see very key examples that indicate monopolistic or uncompetitive market practices."

In North Carolina, meanwhile, Mission hadn't yet operated for three years COPA-free when, in 2018, HCA began what became a successful courtship. "The reaction to Mission's sale of itself was mixed," Sturgis said. "Mission I think did an effective PR job."

HCA has established a \$1.5 billion foundation, and Sturgis said "one might guess that this foundation will do the things that Mission used to do and fill in where HCA decides to cut back.

When it comes to access to care, Sturgis said Mission financially supported several regional hospitals that were "small and struggling" before the COPA was repealed. "Who knows what HCA will do there," he said.

Montana's Callister, who said he's less stressed chasing criminals in his second career of law enforcement than he was trying to regulate a COPA, summed it up this way:

"The COPA regulation is fraught with difficulty, regulations become obsolete and less effective over time, state regulators become referees that resolve competitive battles and political pressure is considerable. Most significantly, (exit) strategy can be a problem and might leave you with a concentrated but unregulated market power."



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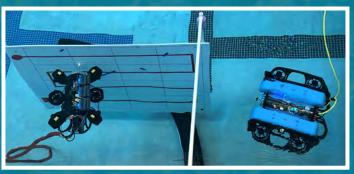


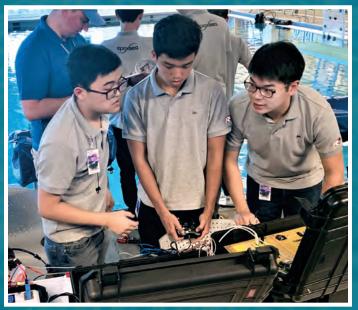
as well as more than a dozen cities in the U.S.

The MATE ROV Competition was born from the need for capable ROV operators around oil platforms in the Gulf of Mexico. The competition originally served not only to identify young talent, but also to encourage students to go into fields in science, technology and engineering they might not have otherwise considered. It has grown into a world-wide competition with regional qualifying events in the Americas, Asia, Europe and the Middle East.

Typically held in coastal cities, the MATE ROV Competition has historically focused on robotics in an ocean environment. Bringing the competition to East Tennessee presented a unique opportunity to demonstrate how underwater robots can be – and are being - used in inland waterways and freshwater environments such as Boone Lake, Boone Dam and the South Fork Holston River.









BJ Features



VCEDA Executive Director Jonathan Belcher, center, presents a ceremonial check to Wayne and Tracey Johnson, owners of Curklin's Restaurant. Also on hand were Tim Blankenbecler of the Small Business Development Center at Mountain Empire Community College; and Wise County Economic Development Director Carl Snodgrass, second from left.



Belcher, center, presents a ceremonial check to Lost Pearl Gallery owners. From left are Maggie Asbury, Tazewell County Board of Supervisors and VCEDA board member; Betty Armentrout, Nancy Brooks, Pawnee Jewell, Lost Pearl Gallery; Pam Warden, Tazewell County Economic Development manager; and Sarah Lowe, Lost Pearl Gallery.

VCEDA supports Southwest Virginia entrepreneurs with grants

by Dave Ongie

Three Southwest Virginia businesses received matching grants from the Virginia Coalfields Economic Development Authority (VCEDA) last month.

Curklin's

The historic Mutual Pharmacy building in Big Stone Gap will soon have new life as Curklin's, a full-service casual dining restaurant, prepares to open its doors in early fall. Wayne and Tracey Jordan are co-owners of the new business venture which was recently approved for a \$10,000 seed capital matching grant. "VCEDA is pleased to assist Curklin's through the Seed Capital Matching Grant Fund," said VCEDA Executive Director/General Counsel Jonathan Belcher. "The new restaurant will add employment numbers to the region and play an important role in the town of Big Stone Gap's redevelopment efforts."

As proposed, Curklin's will be located on 314 Wood Avenue in what was once the historic Mutual Pharmacy building. The Jordans are renting the space from the Big Stone Gap Redevelopment and Housing Authority. Last year, VCEDA approved a \$90,000 tourism fund grant to the authority to assist with

renovations to the building. Currently, historical tax credits are being sought for it by the town.

Curklin's was named using Wayne Jordan's middle name, passed down in his family for six generations.

As planned, Curklin's will feature a 170-seat restaurant and bar on the first floor with short stay lodging on the second floor to support local and regional tourism. The restaurant's target market will be families, with affordable lunch and dinner options offered ranging from a selection of sandwiches and wraps at lunch to steak, chicken and pasta entrees at dinner. Cocktails will also be available to guests at the bar.

"For a small business, every dollar helps," Wayne Jordan said of the VCEDA seed capital grant the restaurant is receiving. "The funds from VCEDA will buy most of the furniture – chairs and tables – that we will need. It's a huge weight off our shoulders to have that taken care of and it provides us with some operating capital as we are starting out as well."

The Jordans worked with Tim Blankenbecler at the Mountain Empire Community College Small Business Development Center to develop their business plan and application to VCEDA for seed capital matching grant funding.

Wayne Jordan has 21 years of restaurant management experience having previously served as the senior general manager for a steak house restaurant chain.

Jordan noted the tables in the new restaurant are being built locally which helps another small business and he added plans are to renovate space downstairs in the building for larger parties and events.

Within five years, it is anticipated the restaurant will employ 10 full-time employees and 30-45 part-time employees.

Lost Pearl Gallery

to the arts.

The Lost Pearl Gallery, LLC received an identical grant. The gallery, a for-profit limited liability company, formed in Virginia in November 2018 as an artists' collaborative venture. It moved to its new location this spring, celebrating a grand reopening in April with plans to continue to grow both as a tourist destination, as well as a place local residents visit to see – and to purchase – the variety of items the gallery has on display and offers for sale.

Its six owner/artists all assisted in getting the new space set up for the gallery, which specializes in providing fine art collectibles and quality handmade products and services related

"VCEDA was pleased to approve the seed capital grant funding for the Lost Pearl Gallery," said Belcher. "The Lost Pearl Gallery provides an opportunity for local residents and tourists alike to grow in their appreciation of the arts and provides employment, not only through the operation and staffing of the gallery, but as a venue for local artists to display and sell their works, thereby providing additional opportunities for them to grow their own art businesses."

The gallery has five owners, including Shirley "Pawnee" Jewell, Nancy Greever Brooks, Esther "Sarah" Lowe, Betty Armentrout and James D. Hale, all of whom live in Tazewell County and surrounding areas and who represent a variety of artistic disciplines, including painting, glass work, basket weaving, fiber art, songwriting and recording, jewelry making, woodworking and writing.

"The VCEDA seed capital matching grant helped us tremendously," Jewell said. "Through it we were able to purchase our moveable walls in the gallery which provide not only a place to display our paintings or other wall art, but which also provide us with storage space."

The gallery owners worked with Margie Douglass with the Small Business Development Center at Southwest Virginia Community College in developing their business plan and application to VCEDA for the grant funding.

Redbud Family Medicine

In the six months since Redbud Family Medicine LLC in



A ceremonial check representing the seed capital matching grant funding approved for Redbud Family Medicine LLC was presented recently to clinic owners Vickie Stevens, second from left; and Mercedes Schoonover, second from right. They are pictured with Belcher, right; and Ernie McFaddin, Russell County IDA chairman.

Honaker, Va., first opened its doors, its patient base has expanded by 600, a new nurse has been added to the staff and a fourth exam room is being developed at the primary care medical clinic.

"Redbud Family Medicine LLC is a prime example of how the seed capital fund was designed to work with businesses to assist them in creating jobs," Belcher said.

The clinic is owned and operated by Vickie Stevens, who holds a Master of Science in Nursing Administration, a post-graduate degree in Nursing and who is a board-certified family nurse practitioner; and by Mercedes Schoonover, who holds a Master of Science in Nursing Administration, an MBA, a Master of Science and who is also a certified family nurse practitioner.

"The VCEDA Seed Capital Matching Grant we were approved for has allowed us to grow our business," Stevens said. "We were seeing more than 300 patients per month, but now have added more. The grant gave us the capital we needed to bring in a nurse and to begin working on equipping a fourth exam room, which in turn is allowing us to take on more patients."

Stevens and Schoonover worked with Margie Douglass, of the Small Business Development Center at Southwest Virginia Community College, in the development of their business plan and application to VCEDA.

Currently, the clinic's patient base hails from six counties, including those from Russell, Buchanan, Dickenson, Tazewell, Washington and Smyth.

Stevens noted the clinic is also a preceptor site for students studying to become nurse practitioners. Redbud works with university students from both Tennessee and Virginia. Redbud currently has three full-time employees and two-part time employee and projects an additional three full-time jobs within two years.

BJ Departments

ON THE MOVE

Recently the Virginia Business College Board met and named Dr. Gene Couch, Jr as its President.

Couch has more than 35 years of higher education experience from several distinct vantage points- as a faculty member, program director, division chair, program developer, chief academic officer, senior

administrator for academic and student services, as an executive vice president and most recently as the president of Virginia Highlands Community College.

Couch received his Associate degree in Radiologic Technology from Southwest Virginia Community College, his Bachelor's degree in Allied Health from Mars Hill College, and his Masters and Educational specialist degrees from Western Carolina University in Educational Administration and his Doctorate in Educational Leadership from East Tennessee State University. He also completed Harvard University's Institute for Educational Management.

Virginia Business College will be housed on the former Virginia Intermont Campus in Bristol. Virginia Business College will offer bachelor degrees with a focus on business with 16 areas of concentrations/tracks.



Gene Couch

U.S. Magis International Education Center acquired the campus at auction in December 2016. Couch said that while there has been a transition period, he is, "excited about this unique and exciting opportunity. Frequently, we hear about getting students ready for College. At the Virginia Business College we have the opportunity to get a college ready for students."

AWARDS & ACHIEVEMENTS

Electro-Mechanical Earns Top Honors in 2019 Cigna Well-Being Award Program

Electro-Mechanical Corporation (EMC), a leading supplier of power distribution solutions to domestic and international mining and electrical customers, has been named the recipient of the 2019 Cigna Outstanding Culture of Well-Being Award. Representatives from Cigna and USI Insurance Services presented EMC with the award during a private ceremony at the Bristol, Virginia-based location on Wednesday, June 26.

"Electro-Mechanical Corporation is honored to be recognized by Cigna for our commitment to enhancing organizational performance for a healthy and productive workforce," says Mike Stollings, vice president of human resources for EMC. "We appreciate Cigna for providing us with the tools needed to benchmark the health and well-being of our



employees and their family members, and look forward to continuing our quest for improving quality of life, developing positive lifestyle habits and education, and building a stronger, healthier community for those who help us succeed."

Each year, Cigna recognizes companies for their commitment to improving the physical and emotional health and well-being of employees through a variety of wellness programs in the workplace. EMC was evaluated on the subjects of leadership, organizational foundations, policy and environment, program implementation and participation.

Since 2016, EMC has partnered with Cigna to provide health insurance for 862 employees and their family members. Thirty-three of Cigna's clients in its Mid-Atlantic market region, which includes Virginia, Maryland and Washington, D.C., applied for the 2019 award program, and more than 300 applications were submitted by clients nationwide. As the top recipient, EMC's data will be featured in Cigna's annual "Let's Do Well Together" brochure.

Eastman's Caveness receives award for manufacturing excellence

Michelle Caveness, director of Adhesives Manufacturing for Eastman, recently received the Women in Manufacturing STEP Ahead Award for her excellence and leadership in manufacturing. The STEP Ahead Awards are presented annually by The Manufacturing Institute to women who have demonstrated excellence and leadership in their careers and represent all levels of the manufacturing industry. Caveness received her award from The Manufacturing Institute during a reception in Washington, D.C.

As director of Adhesives Manufacturing, Caveness has responsibility for manufacturing results at six Eastman sites in North America, Asia, Europe and Mexico, with key objectives to underpin safety and reliability while accelerating growth.



Michelle Caveness

Prior to her current role, Caveness was director of the Chemicals Development Division. She is also heavily involved in mentoring colleagues at Eastman, especially women in Eastman's manufacturing and technology organizations.

"Our communities, work and personal, are as strong as what we put into them, and we are blessed to work for a company that values this," Caveness said. "One of the best parts of my job is the people I get to work with – their character, energy, and genuine interest in making a positive difference for our company and community.

"I have learned that success, both inside and outside of work, is important but investing in others keeps life in perspective. In the end, we all benefit and learn more from each other when we pull for the best in others."

SEE AWARDS & ACHIEVMENTS, 28





AWARDS & ACHIEVMENTS. CONTINUED

Clifton named to TACIR board

Calvin Clifton, business development manager with Mattern & Craig, Inc. has been appointed by Tennessee Governor Bill Lee to serve a four-year term on the Tennessee Advisory Commission on Intergovernmental Relations - also known simply as TACIR. Lee appointed Clifton to serve in the role as a private citizen, one of two on the 25-member board. Clifton has been with Mattern &



Calvin Clifton

Craig since 2012 and has worked in the consulting engineering industry for 15 years.

Clifton leads the business development and marketing efforts for the firm's five offices in Tennessee, Virginia, and North Carolina. Prior to this, he was employed by the City of Kingsport in the Transportation and Utilities departments, and served as public works director with the City of Athens, Tenn.

Jones hailed as Legend of Thunder Valley

Ted Jones, a longtime drag racing executive, past manager of Bristol Dragway and president of Masters Entertainment Group, was inducted June 16 as the 2019 Legend of Thunder Valley honoree. Jones worked at Bristol Dragway for more

than two decades and spent time at the iconic track over the years in many different official professional capacities.

"This is the biggest thrill, to see my name go up there with those true legends of Thunder Valley is incredible," Jones said. "Those guys raced with me when I was the manager of Thunder Valley. They are my mentors and idols...this is unbelievable."



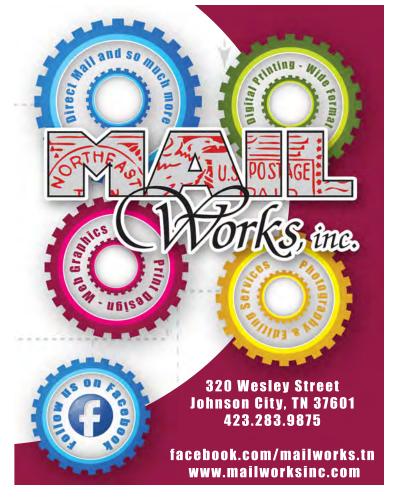
Ted Jones

Jones owned several drag strips in his native Ohio and nearby Indiana before then Bristol Dragway owner Larry Carrier convinced Jones to move to Tennessee to work at his track and help manage his new drag racing sanctioning body, IHRA.

Leadership Tennessee class to include five from Northeast

Five Northeast Tennesseans have been named to the Leadership Tennessee class for 2019-2020. Dr. Bethany Flora, president of Northeast State Community College; Eric Deaton, senior VP for Market & Hospital Operations, Ballad Health; Lottie Ryans, director, Workforce & Literacy Initiatives, First Tennessee Development District; Dr. Randy Wykoff, dean, College of Public Health, East Tennessee State University; and Heath Guinn, founder, Sync Space.





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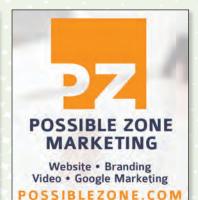
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Büsiness Journal Na



Take a moment to breathe

by Megan Hamilton

We live in a culture that defines success and selfworth by the number of hours we work in a day or week. According to the Gallop Poll, the average American works 47 hours a week with many reporting they

work at least 50 hours a week. The amount of time we work seems to be something we praise, but many of us seem to be loathing within. Working more hours may cause some unwanted stress. Everyday Health reports that chronic stress is a national epidemic for all genders and ages. How is your stress affecting the work culture? While we may not always be able to control the different stressors in our lives, we can control how we respond to such stressors...and this response will impact our work environment for better or for worse.

Rate yourself on your ability to stay fully present most of the time: 0-10; 0 = not present at all; 10 = present the majority of the time. If

you are unsure on how to answer this, another way to think about it is to consider how stress is currently affecting your life. Do you consider yourself to be under a lot of stress, medium amount, or none at all? The reason this is something to look at is because stress is the number one variable that keeps our minds and bodies from being fully present. If you are coping with your stress well, you are most likely fully present with others. If not, it is likely you struggle with being in the moment.

The truth is we live in a highly stressful world. Each of us deals with multiple stressors at one time every day and all day long. The key is how we respond so our nervous system doesn't go into survival mode. The quickest tool to being in the moment and calming the

nervous system is your ability to consciously focus on your breath. It's simple. Connect to your breath first so you can, in return, connect with others.

Right before you step into your workspace, do your

body, mind, and spirit a favor take two conscious deep breaths. Right before a big meeting, take two conscious deep breaths. Right after a meeting, take two conscious deep breaths. You see where this is going. Experiment with taking a moment for some conscious breathing throughout your entire day. See what happens to your stress levels, focus, work, communication, and most importantly your connections in the workplace. Your mindfulness enhances and enriches the work culture by decreasing your stress levels.

We spend the majority of our waking lives working. The least we can do is make our time with others we work with meaningful

and as stress free as possible. Creating a focus on our breath will encourage us to do what humans were designed to do—connect. Our ability to connect with those we work with can actually decrease our stress levels. It may sound simple, yet true connection can be extremely hard. It is a choice that requires time, mindfulness, curiosity, and vulnerability. However, if this is a choice we can make that positively impacts our work environment, perhaps it's a choice we should make.

Megan Hamilton is director of Education at the Barter Theatre, the Official State Theatre of Virginia. She can be reached at education@bartertheatre.com.



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