

The Business Journal

of Tri-Cities Tennessee / Virginia

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Higher education special issue

Workforce development,
fresh faces and not one,
but two sesquicentennials

Plus:

Your IT security situation is
scariest than you think

and

The MSHA/Wellmont merger
is finally on the clock

Northeast State Community College welding instructor John Rosenbalm discusses a finer point of the craft with Sullivan Central High School senior Holden Light. Photo by Jeff Keeling

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COVER STORY

Opportunity for students, workforce for business

At Northeast State, the trend of designing curricula with productive employment in mind is breaking new ground

Photo by Jeff Keeling

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Redefining the workforce. Again.



Hanging on my office wall I have a hodgepodge of mementos, mostly from my time with this publication. The first printer's proof of our very first glossy color issue is framed there, a gift from former publisher Jeff Schumacher. So too is the first printer's proof of the first issue of *The Journal* published under our current own-

ership, the May 2012 issue.

Hanging behind my desk is a blow-up of one of my favorite *Journal* covers, the May 2007 issue. That cover photo features three business leaders, Brian Ferguson, Scott Niswonger and Newt Raff posing on a leather couch. Raff is seated, Ferguson is half seated on the arm of the couch and Niswonger is standing, centered behind the others. Tom Raymond from Fresh Air Photographics shot the photo at a Regional Alliance for Economic Development event in Johnson City. The event had actually taken place some months before when I was still editing *Marquee Magazine* (in pace requiescat). Raymond had shot that event for *Marquee*. As an aside, the event that day was also being covered by the then-business editor of the *Johnson City Press*, a fellow named Jeff Keeling.

By May 2007, I had moved from *Marquee* to *The Business Journal* and was writing a workforce development story centered around the Alliance's Wadley-Donovan Report. I remembered the excellent photo and called Tom to negotiate the rights to use it on the cover of *The Journal*. Kelly Barnette, our creative director at the time, photoshopped a dark green background in place of the maroon one used in *Marquee*, and off to press we went. The blurb on that cover reads, "Redefining the Workforce."

If only.

The workforce today is still top of the list of items that need to be addressed in order to grow the region's economy. Don't get me wrong, quality employees can be found here. But so too can a plethora of complaints.

In a workforce development meeting recently I heard most of the same gripes about the workforce Tennessee Governor Bill

Haslam heard his first year in office during a listening tour of businesses from Memphis to Mountain City.

"Their verbal skills are lacking."

"They don't know how to work in a team setting."

"They can't make change without a machine helping them."

"They can't sign a document because they don't know cursive."

"They can't be relied on to show up on time."

"They can't be relied on to show up and pass a drug test."

"They can't be relied on to show up."

Well, says I, it's easy to complain, but it's not terribly productive. On the other hand, it takes effort to change a system that's not working. Then again, businesses are already having to make the effort to train graduates up to standard, so where's the net loss in trying?

In Tennessee, a business-friendly governor has made strides to address the problems, and, I suspect, is eager to hear more good ideas from business on how to address the legion of issues that remain.

Just so, in Virginia, the governor is quite aware of both a revenue crisis and a jobs crisis looming because of defense budget cuts and the failure of coal as an industry. He too is looking for ideas on how to reorient the state's workforce.

That's why I applaud businesses like Roger's Trucking Inc., in Abingdon for working with Virginia Highlands Community College on a program to help train the drivers it needs. It's why I applaud Bell Helicopter, Mullican Flooring, Mountain States Health Alliance and others taking part in the Pathways project in Tennessee. They're doing something.

Schumacher used to say, "when it comes to helping a community, there is no more powerful force than an active, united, vocal business community."

If government is to actually serve the interests of those it governs, then business must take the lead in showing it the way. Gripping about government is easy. Making it do something right takes effort, but it can be worth it.

Ronald Reagan used to say the most terrifying words in the English language were, "I'm from the government and I'm here to help you."

Now's the time for the private sector to bring specific ideas to those who govern - specific ideas on what we need education to do for us, on what students need to know to be ready to work, and on what the state can gain from taking our advice.

"We're from business," we should say, "and we're here to help everyone."



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Ups & Downs

A quick check of the conventional wisdom on who's going what direction in Tri-Cities business



Help for the coalfields – Two recently announced grants from the Appalachian Regional Commission (ARC) to a community college and a sustainable development organization show the federal government recognizes innovative solutions are needed to address Southwest Virginia's uniquely challenging economic situation. The awards of about \$1.5 million each are to Abingdon-based Appalachian Sustainable Development and Southwest Virginia Community College in Cedar Bluff. The college's award supports a fast-track retraining program that readies displaced coal miners for new careers in advanced manufacturing, construction, and health technology. ASD's five-state, 43-county "Central Appalachian Food Enterprise Corridor" project will develop a coordinated local foods distribution network, connecting established and emerging producers to wholesale distribution markets. The college program will certify 165 new trainees. The ASD program is expected to create 120 jobs, retain 250, and create 95 new businesses.



Homebuilding trends – The residential real estate market continues to show signs of strength regionwide. In Washington County, Tenn., area homebuilders aim to capitalize on that strength later this month and early next as the Johnson City Area Home Builders Association (JCAHBA) conducts its first "Builder's Showcase of Homes" since 2008. The free, self-guided showcase occurs the weekends of Sept. 24-25 and Oct. 1-2. Available lots and new homes in a variety of price ranges will be on display, with 11 developers and five developments participating. An accompanying Showcase of Homes magazine will be available starting Sept. 19 at all showcase home locations, and more information is available at jcahba.org.



"The Big Game" (and we mean really big) – If anyone had questioned the wisdom of holding a college football game at a NASCAR track and trying to break the single-game attendance record, he or she has another think coming now. The recent announcement that the Battle at Bristol between the University of Tennessee Volunteers and Virginia Tech Hokies is sold out means the Vols-Hokies tilt at Bristol Motor Speedway will obliterate the current record. The Michigan Wolverines drew 115,109 when they hosted Notre Dame at the Big House Sept. 7, 2013. Three years and three days later, roughly 45,000 more people will settle into BMS's 160,000-odd seats, and according to recently released figures, they'll provide an estimated \$125 million direct impact on the Tri-Cities' economy.



Crown Laboratories' continued growth – Johnson City-based Crown Laboratories, best known as the maker of the Blue Lizard line of sun creams, has continued its torrid pace of growth. Inc. 5000 magazine recently recognized Crown as one of America's fastest-growing companies. The designation – Crown ranks No. 1548 nationally and is No. 21 in Tennessee – marks Crown's fourth straight year of making the list. The Inc. 5000 rankings are based on percentage revenue growth over a three-year period. Crown's three-year growth rate in this year's rankings is 246 percent.

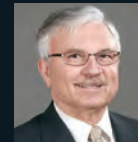


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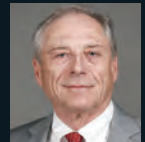
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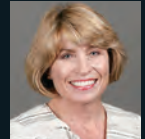
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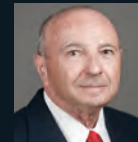
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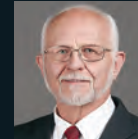
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Christian Lee earned 27 hours of college welding credit before graduating from Sullivan Central High School last May.

Photo by Carson Waugh



Pell grant pilot to help more high schoolers focus on career

By Jeff Keeling

In late May, Northeast State Community College announced it was one of 44 higher education institutions selected for a U.S. Department of Education pilot program allowing income-eligible high school students to apply for Federal Pell grants to pay for certain dual enrollment courses. This fall, eligible students in area “career academies” who are gaining college credit at Northeast are filling out FAFSA forms, and a number are expected to qualify for and receive Pell grant funding. In the meantime, the career academy concept, which has seen some high school students gain more than 30 hours of college credit along with professional career certifications, has grown from a handful of students in 2014 to more than 100 this fall.

Holden Light lays down a weld bead, shuts off his torch and flips up his helmet to catch the watchful eye of John Rosenbalm. The mustachioed Northeast State Community College instructor with the kindly glint in his eyes and nearly four decades of welding experience offers a few tips to his student.

If Light looks young to be taking a college class, it’s because he is. The Sullivan Central High School senior is among a small cadre of students in Central’s “career academy.” Last May, some of his former Northeast classmates proudly accepted professional certificates during Northeast’s graduation ceremonies – more than a week before they graduated from Central. Light plans to follow in their footsteps, probably to pursue at least an associate’s degree in welding before deciding on further college or career plans. The associate’s won’t take him long, as the career academy will see him

finish high school as a nationally recognized, combination certified welder with 27 hours of college credit.

With guys like Rosenbalm aging out of high-skilled jobs at a steady rate, and new advanced manufacturing employers seeking strong skilled labor forces as they decide where to set up shop, career academies linked to Northeast State are growing fast. The sense that that’s a good thing seems universal among leaders in high school Career Technical Education (CTE), higher education and business – not to mention the increasing numbers of students getting a jump start on their education and careers.

“Every student in the building, I’m convinced, wants to learn something,” says Bo Shadden, who heads up Career Technical Education (CTE) at the Sullivan County Schools. “What we have to do is find what they want to learn and connect it to what we’re



2016 Sullivan East High School graduates Kyle Harley, left, and Jacob Gourley earned 33 hours of CNC/Machine tooling college credit while still in high school. Photo by Carson Waugh

trying to teach. When you connect those two it's very powerful learning."

Shadden was present three years ago when the academy effort began taking shape, "on a dry erase board in one of our conference rooms. We just said, 'can we do this?'"

Yes, they could – now who's going to pay for it?

The stars have aligned since that day around the white board. Sullivan East High added a CNC/machine tooling career academy a couple of years ago. New ones have sprung up within the last year covering a variety of disciplines, from entertainment technology to drafting, with participation by additional school districts within the five-county area served by Northeast State. It's required adaptation by all parties, Shadden says.

"We couldn't ask for a better partner (than Northeast). We've had to go through TBR to make some changes, we've had to change some policies and procedures on Sullivan County's end and kind of tweak the way things are done, but I think this is where education needs to go.

"It's a great time to be in the technical world – there's some really great opportunity for young people in these areas and I think our society's realizing that. An associate's degree or certification and you're ready to go to work, and that's what we want. We want people to have a successful career, raise their family and be able to be provide as needed."

That growth has brought with it the challenge of how to pay for these promising students' early forays into college work.

Tennessee Promise doesn't extend, yet anyway, to dual enrolled high schoolers. And some of the students who would benefit most from a head start on college come from families for whom shelling out tuition or fee money would be a significant obstacle. Up until now, a combination of funds from private businesses and Sullivan County's "Educate and Grow" financial aid program have covered the gaps, but those sources can only do so much – and aren't as available in Johnson, Carter, Unicoi and Washington counties.

Enter Northeast State's Chelsea Rose, who has helped guide the career academy program since its inception. When the federal government sent out a notice about the Pell opportunity, it found its way to her desk via both Northeast's director of grant development and the school's VP of workforce development.

"We instantly knew that it was something that we wanted to apply for," Rose says. "I think with this additional funding source, we'll be able to expand in these other school systems and offer this to more students in the region."

Through its experiment, the Department of Education hopes to learn about the impact of providing earlier access to financial aid on low-income students' college access, participation, and success. Northeast State President Dr. Janice Gilliam calls the addition of the Pell grant pilot "a great shot in the arm" for the school's efforts. She also believes that with attitudes about technical education changing nationally, availability of Pell grants for high schoolers to pursue

focused college coursework could become standard.

Well worth it

One of Light's former fellow students who earned his certificate prior to high school graduation last year exemplifies the varied elements that make the program great, according to Shadden, Gilliam and Central's CTE director Justin Calhoun. His name is Christian Lee, and he's back at Northeast this fall. But before he discovered his passion for welding, he was a bit adrift, Calhoun remembers.

A former English teacher, Calhoun taught Lee when he was a junior. "We had some what I call 'data conversations,'" Calhoun says. "We looked at his test scores over time and what he was projected to do in my English class on his end of course standardized test. He shared some things with me about his educational career, and he said, 'you know, I haven't really done as well as I could have,' and he kind of had a hard time coming to school sometimes."

"He said, 'I've got it together, I know what I want to do and I'm going to do well in here, and I'm really looking forward to taking that test to show you what I can do. And I thought, 'wow,' what an attitude with this kid.

"He's a prime example of somebody that didn't just learn how to weld, but they learned what it took to be a business-minded person and to carry that business mentality into the classroom and into all other parts of their lives," Calhoun says.

The story isn't an anomaly. Gilliam says she received an email from a career academy student's parents who said it had changed their son's life. Shadden says that because employers need the skilled workers and that students have shown they can mature quickly when they find a passion, it's imperative that society figures out a way to pay for career-focused dual enrollment.

"Catching people early is important. I think by their junior year they're ready for us to challenge them with something different, and I think that's what these cohorts do.

"I like the two years free after high school, but I really think we need to back some of that money down. Catch these students early, get them started and get them moving through the channels a little sooner. They're ready, and never do I want the money part to be a barrier for any of our students to not have this opportunity." ■

State of Tennessee charters Buffalo Male and Female Institute at Cave Spring, Tennessee; a school has been conducted here in many forms for several years at what is now known as Hopwood Memorial Christian Church.



Fire destroys 1881 "Milligan College" and later addition; closure is considered. Pardee Hall is built; named in honor of Mr. and Mrs. Calvin Pardee of Pennsylvania.



1866

1881

1918-1919

1920



Cornerstone is laid for new addition to Buffalo Institute; renamed Milligan College.



Football begins at Milligan, reigns as the college's favorite sport until 1950.

Milligan Rounding Out Sesquicentennial

College commemorating its first 150 years

By Scott Robertson

The origins of Milligan College go back to an academy founded in 1866 in what is now Hopwood Memorial Christian Church on the banks of Buffalo Creek in Carter County, Tennessee.

While it began as a private secondary school known as the Buffalo Male and Female Institute, the institution was soon elevated to the collegiate level with the arrival of Dr. Josephus Hopwood and his wife Sarah LaRue Hopwood. Hopwood came to the school with the understanding that it would become a liberal arts college to train leaders for the churches and the communities of Appalachia. In 1881, Hopwood laid the cornerstone for

an expanded building. At the same time he announced both the elevation of the Institute to collegiate rank.

Milligan College has the rare distinction of being named not for its founder or location, but for a teacher. Hopwood chose the name to honor one of his own former professors of Biblical Studies at Kentucky University (Transylvania/Lexington Theological Seminary), Robert Milligan, who modeled the virtues of Christian discipleship and intellectual formation. Professor Milligan taught his students that learning should be used to develop the potential of Christian men and women to serve Christ and the world.

Hopwood, the dominating personality in the early history of the college, and his wife Sarah LaRue, are coined with its enduring motto, "Christian Education — the Hope of the World." Hopwood continued in the presidency until 1903 when he left Milligan to found a college in Lynchburg, Virginia.

From 1903 to 1915, Milligan had five presidents, one of whom was Henry Rufus Garrett, the first alumnus to serve as president. In 1915 Dr. Hopwood, who had completed the founding of colleges in Virginia and Georgia since leaving Milligan in 1903, returned for a two-year interim presidency.

Completion of Cheek Gym opens door for greater athletic opportunities, as does continued enhancements to Anglin Field.

1924



1943-1945

Milligan plays last football game, against East Tennessee State, on November 18; ends in 6-6 tie.

1950



1951



Beginning of Navy V-12 program brings closure of Milligan to civilian students. Milligan reopens, sparks growth through athletics and choir.



First Founder's Day observed in place of old Homecoming activities; Duard Walker begins teaching career spanning 50 years.

In 1917 Henry J. Derthick became the eighth president of Milligan. During this period Milligan College served many young people from the Southern Highlands. The campus was expanded to some sixty acres, and the facilities of the College were increased. The Administration Building, now called Derthick Hall, was rebuilt after a fire. Dr. Derthick succeeded in bringing the College through the period of World War I and the Great Depression, preserving the academic integrity and quality of the College. The College's main classroom building is named in his memory.

Dean Charles E. Burns succeeded to the presidency in 1940, just prior to the American entrance into the Second World War. In the crisis of that period, Milligan offered its entire facilities to the United States Government. From July 1943 to June 1945 a Navy V-12 program

was conducted on-site. Milligan was the only college in the United States given over completely to a Navy program.

The civilian work of the College was resumed under the presidency of Virgil Elliott in 1945. Two major problems confronted the College at this time. The breaking of ties with alumni and friends during the Second World War proved to be a serious handicap. No less difficult was the task of assisting a large number of ex-GIs to effect a transition from military to civilian life.

Dr. Dean E. Walker came to the presidency in January 1950 from a 25-year professorship at the Butler University School of Religion. Recognizing the need of the small college to play an increasingly large part in the educational program of the country, the College adopted a long-range development program. Students were enlisted from a larger area, encom-

passing most of the States and several foreign countries.

During Walker's administration the campus was expanded to more than 135 acres of land. New buildings included the Student Union Building, Sutton Hall, Webb Hall, the P.H. Welshimer Memorial Library, the Seeger Memorial Chapel, and Hart Hall. On Nov. 1, 1960, Milligan received the Quality Improvement Award administered by the Association of American Colleges for the United States Steel Foundation. On Dec. 1, 1960, Milligan College was admitted into membership in the Southern Association of Colleges and Schools.

In June 1968, Dr. Jess W. Johnson, having served in the capacity of executive vice-president for two years, was elevated to the presidency of the College on the retirement of President Dean E. Walker.

SEE **MILLIGAN, 14**

Emmanuel School of Religion's first classes begin on Milligan campus, with Dean Walker president of both schools. Emmanuel was chartered in 1961.



Ground is broken for new Science Building, part of Johnson's long-range growth plan.

Ground is broken for new Emmanuel School of Religion building on "Hill Beautiful," the former home of Josephus and Sarah Hopwood. Completion and dedication of Steve Lacy Fieldhouse.

Little Hartland Hall, the new president's home, is dedicated.



1965

1966-67

1970-1977

1994



The 100th anniversary of Milligan's charter is observed throughout the year at its centennial celebration.



Milligan is first ranked in U.S. News & World Report as a top 10 regional school in South.

MILLIGAN, CONTINUED

The campus continued to develop under Johnson's leadership. The College constructed The Faculty Office Building (1969), the Science Building (1972), Married Student Apartments (1974), the Steve Lacy Fieldhouse (1976), and Little Hartland (1977).

On January 1, 1982, Marshall J. Leggett, a Milligan alumnus, became the thirteenth president of the College. During his tenure, the College offered its first master's degree, the Master of Education. The College constructed the McMahan Student Center (1987) and renovated the old student union building as Paxson Communication Center. The College renovated the upper level of Hardin Hall to house the Arnold Nursing Science Center. Quillen, Kegley, and Williams Halls were built. During Dr. Leggett's tenure, enrollment

increased 31 percent. Dr. Leggett retired on June 30, 1997, and became Chancellor.

Donald R. Jeanes, a Milligan alumnus, became the fourteenth president July 1, 1997. Under his leadership, the College continued its momentum. The master's program in occupational therapy enrolled its first class in August 1998. To accommodate this program addition, the lower level of Hardin Hall was renovated as the McGlothlin-Street Occupational Therapy Center (1998). The Occupational Therapy Program received professional accreditation in 2000. The College renovated Derthick Hall and the Baker Faculty Office Building. The historic Alf Taylor house was renovated in 2003 and renamed the Taylor/Phillips House; it is used as a campus guesthouse and reception center. The Nursing Program received professional accreditation in 2003; in February

2004, the College began its third master's degree program, the Master of Business Administration.

The W. T. Mathes Tennis Complex was dedicated in 2005, and a new maintenance building was constructed. The Elizabeth Leitner Gregory Center for the Liberal Arts, a 298-seat theatre along with dark rooms for photography, opened to students in 2008. In Fall 2007, the college reached an all-time record enrollment of more than 1,000 students. In spring 2010, the Gilliam Wellness Center opened, and the college acquired additional acreage adjacent to the campus, increasing its size to approximately 195 acres.

Dr. Bill Greer was named the college's 15th president in 2011. Greer is a 1985 Milligan graduate and completed an MBA from East Tennessee State University. He holds a Ph.D. in Economics from the

Marshall Leggett retires;
is succeeded by
Donald R. Jeanes.



Emmanuel Christian
Seminary becomes part
of Milligan College.
Engineering program
is announced.



1997

2011

2015

2015-2016



Bill Greer is elevated
to president following
retirement of Don Jeanes,
who later unexpectedly
passes away from a
heart attack in 2012.



Year long
Sesquicentennial
observed.

University of Tennessee – Knoxville. His areas of academic interest include monetary/macroeconomic theory and the history of economic thought. His book “Ethics and Uncertainty” examined the role of uncertainty in economic theory as viewed from the contrasting perspectives of John Keynes and Frank Knight, a 1911 Milligan alumnus.

As founding director, Greer led the efforts to develop and establish the College’s Master of Business Administration program, a program built upon the philosophy of ethical decision making from a Christian perspective. Greer is also a member of the Messiah College International Business Institute faculty, teaching Comparative Economics in Eastern and Western Europe as part of the Institute’s summer program.

In 2004 he received the Sam Jack Hyder QED Award for outstanding ser-

vice to Milligan College and the Faculty Appreciation Award in both 1999 and 2010. Greer is active in his church, having served as an Elder at Grandview Christian Church since 1998. He and his wife, Edwina, live in Johnson City, Tennessee, and have two sons, Logan and Jeremy. He is the son of Jack and Virginia Greer of Mountain City, Tennessee.

During Greer’s time in office the college has added five new residence halls, renovated the Fireside Grill in the McMahan Student Center, experienced record enrollment and record giving, and has offered new undergraduate majors in computer science, economics, electrical engineering, mechanical engineering, music business, political science and social work in addition to a Master of Science in Counseling.

Milligan has created an Honors

Program and has reorganized its academic effort into five schools, while integrating the Emmanuel Christian Seminary into Milligan’s School of Bible and Ministry. Also during Greer’s tenure, campus acreage has expanded by 40 acres with the addition of the B. D. Phillips Building, the Emmanuel housing village, and Thompson Community Center.

Woven in the college’s historical tapestry is a richly storied cast of people of deep conviction and sacrifice. Campus leaders point to the power of faith as proven by decades of triumph over adversity. As it did 150 years ago, Milligan, now a flourishing liberal arts college, maintains its conviction to mold both mind and spirit to develop Christian leaders to change lives and shape culture. **B**

New King University president promises balance

By Scott Robertson

As Alexander Whitaker, King University's newly minted president, strolls along the oval walkway around which the Bristol campus is built, he points out the newly laid brick and surrounding fresh green grass. Only two weeks before, landscapers had been laying brick and sod, with orange plastic temporary fencing everywhere. "Today it looks beautiful," he says. All evidence of a sweaty summer's work has been removed, and the campus looks as if it has always been just this way.

One cannot escape the visual metaphor. Not so long ago, King University itself was in

a state of transition. In 2014, alumni and students forced the resignation of then-President Dr. Greg Jordan in a dispute over the direction of the university. Dr. Richard Ray, who served as interim until last month, smoothed the waters. Today the university, like its campus, shows no outward signs the upheaval ever happened.

King's board of trustees has decided Whitaker is the man who can keep the Christian university on the right track moving forward. He arrived at King from Berry College in Georgia, where he served as chief of staff and board secretary and in charge of public relations, religious life, historical

assets, and governmental relations. He had also overseen Berry's major gift fundraising and planned giving. But even before his decade-long tenure at Berry, Whitaker had a high opinion of what was then King College. "A number of people who were influential in my life were alumni of King College," he says. "From them I inferred that King was a place of quality that produced graduates of high character and achievement."

Whitaker says he was impressed by the King board's candor in their discussions with him. He describes their approach as, "honest, comprehensive, hopeful but not unrealistic."

It is clear Whitaker understands both the causes and effects of the upheaval of 2013 and 2014 and is making an effort to reassure students and alumni of his empathy with their position. Three years ago, those constituencies were upset that King was putting a heavy emphasis on online teaching and satellite campuses, including those in Knoxville and Nashville. The first words out of Whitaker's mouth when he's asked about priorities moving forward are, "I'm a strong believer in traditional residence education."

Still, he's not dismissive of the value of diversifying the product, so long as the primary focus remains on King's traditional, residential offering. "King has diversified, appropriately and wisely into other areas – online education and graduate and professional education. It is smart to have different models. But as someone wise once said, 'As long as there are teenagers wanting to leave their homes – and parents wanting them to leave – there will always be a place for residential college education.' The opportunity here is to enhance that, to build it up in a way that makes it better than perhaps it has been in recent years."

The first specific areas for improvement Whitaker mentions are for the Bristol campus itself. "It's important that this flagship campus reflect the quality and the vibrancy of the school as a whole," he says. "People will always look to this as an indication to what sort of school King is. I share the board's commitment to the traditional residential program at King, which takes nothing at all away from the other delivery methods of education and the other programs. In fact, they too will benefit by having a quality campus here in Bristol that reflects the high quality of all programs across the university." Those campus improvements will take the form, at least to begin with, of bringing existing buildings up to meet 21st century educational needs. "I don't know of a single college anywhere that doesn't want to build more buildings, and I don't think King is exempt," Whitaker says. "I think if you walk around campus, everyone will tell you what the next building King needs should be, though I doubt those answers would all be the same."

"For me a priority is taking the buildings we have, which are solid and well-built, and improving them and bringing them up to date. I see that as a priority before we even look at new construction. That doesn't mean there isn't a need for all sorts of construction here, and I can give you a list of what those things would be, but it wouldn't be particularly edifying – no pun intended – because a lot has to happen before a building is planned and built, including finding funding sources. But for me, I don't think we have to wait to address the buildings we have – to use a Presbyterian phrase – to do those things decently and in order."

No doubt alumni will be pleased to hear Whitaker is taking an early interest in the well-being of the home campus, even if it is

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KING, CONTINUED

balanced by respect for the need for a conservative approach to financing building programs. "We are subject to the same business edits as any for-profit business: the bottom line and balancing the books so we have the resources to do what we want to do," Whitaker says.

When Whitaker speaks, the theme of balance doesn't only apply to the questions of residential vs online education and ambitions for campus vs fiscal responsibility. It's something he comes back to in discussion of another aspect of the university's mission as well.

"I think the university must be clear and forthright about its Christian character," he says. "None of that means King is unwelcoming or in any way exclusive with others, but that is how we were founded. That is who we are, a Presbyterian institution.

"There are many Christian colleges that struggle with the idea of having a school that is faith-based, that is also academically rigorous and invites free academic inquiry and a variety of ideas being presented. There is an innate tension in that. I frankly think it's a good tension. I think it's welcome. There's nothing incongruous about a school having its foundation in faith but also stewarding the mind that has been given us by God in a way that stretches it, challenges it and gets us thinking about the hard questions in life and perhaps put our own suppositions and assumptions to the test. King does that. It certainly attracted me to King because of that balance and that comfort with those tensions."



Whitaker in his new office. Photo by Scott Robertson

Those kinds of tensions are far more welcome than the tensions the campus has experienced in recent years. If the visual metaphor of the newly landscaped campus is drawn over to Whitaker's presidency, then one must admit that while it looks very nice, the roots are still not very deep. But the appearance at least, is that King University is once again a place where things are happening decently and in order. [BJ](#)

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King on Coal

By Scott Robertson

Much has been made of the decline of the coal industry in America, and rightfully so. Coal once fueled more than half of America's electric generation. Today it fuels less than one-third. Republicans blame the Obama EPA. Democrats point to the effects of lower natural gas costs on the coal marketplace. Both sides tend to underplay the effects of the decline in the worldwide coal demand.

Because of the specific and widespread effect of coal's decline on Southwest Virginia, the King Institute of Regional Economic Studies (KIRES) at King University recently endeavored to determine which side was closer to the truth, using statistical analysis. Dr. Sam Evans, director of KIRES and an associate professor of Economics and Finance, authored the report.

"For an old warhorse like myself, hearing those arguments is just like teeing the ball up on the first tee," Evans said. "I just wanted to take a whack at (determining which argument had more validity). In fact, I'm better at impartial analysis than I am at golf."

Using regression analysis, Evans took historical data from 1995-2015 and the Department of Energy forecasts for 2016 and 2017, measuring the markets for coal and natural gas, with the cost of coal and the cost of natural gas expressed as a ratio. He

used that formula to measure market effects.

"The analysis showed that prior to 2013, the declining coal use for electricity generation was mostly due to natural gas prices," Evans said. "But the natural gas/coal model fell apart after 2012, which told me there was something else going on."

Evans used zero-one variables, sometimes called dummy variables, to support the assumption that the decline in coal consumption for electricity generation was either based on decline in total electricity generation or on regulatory pressure. Since total electricity demand has not declined, "I think (regulatory pressure) is the reasonable assumption," Evans said.

The full report is available at the KIRES website, kires.king.edu.



Dr. Sam Evans

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McAuliffe attends Virginia Highlands CDL demonstration

By Scott Robertson

One of the advantages of small community colleges is their relative nimbleness in addressing the training needs of local and regional employers. Virginia Governor Terry McAuliffe recently visited Abingdon to see the practical application of one such course.

McAuliffe said programs like the CDL program at Virginia Highlands can help business immediately address the economic needs of the country and of Americans who need good work at good wages. “I read a report recently that said we need 48,000 drivers in America today,” he said.

The demonstration was held at Roger’s Trucking, owned by Roger Roe, who said, “We’ll be hiring quite a few drivers out of this school. Everybody I know in the trucking business needs drivers.”

Commercial drivers license (CDL) training is in increasing demand. Interstate 81 is now used as the alternate corridor to Interstate 95 on the eastern seaboard, and as traffic increases, so too does the need for qualified drivers.

“They had a need and we stepped up and provided a workforce training program working with Roger and others. We’re excited about it. In short order, students will be able to get a credential that will put them right into the world of work,” said Gene Couch, VHCC president. “We have an area here where a lot of freight is moving, especially with Food City – K-VA-T Food Stores being headquartered here.”

The first 10 students in the program began classes with instructor Jim Moncrief Aug. 29. Six weeks from that date, they will be ready to sit for their commercial drivers licenses in the Commonwealth of Virginia. A second class is scheduled to begin in October at Roger’s Trucking’s Oak Park facility off exit 13 of Interstate 81.

McAuliffe was on hand because the program qualifies for the New Economy Workforce Industry Credentials Grant program the



VHCC President Gene Couch speaks as Virginia Governor Terry McAuliffe looks on Photo courtesy VHCC.

governor recently put into place, meaning Virginia resident students will pay just one-third the cost, or \$1,333.33. Financial aid is also available for qualified students, so the total cost could be considerably less. The average starting salary for truck drivers tops out at \$45,000.

“The CDL program at Virginia Highlands Community College is a perfect example of our institutions of higher learning working hard to meet the needs of local businesses,” McAuliffe said. “Today I had the opportunity to learn about this program, interact with students and faculty, and see the benefits of the New Economy Workforce Industry Credentials Grant

first hand. This and other programs will help transform Virginia’s workforce and keep us competitive in today’s global economy.”

Virginia’s economy is in a state of transition as both the coal and defense industries shrink. Defense department contracts make up a greater portion of the economy of Virginia than any other state, and those contracts have been diminishing over the last several years as the profile of America’s armed forces changes to meet a post-Cold War threat climate. Coal, meanwhile, continues to hemorrhage jobs as more gas-fired power plants are built. That one-two punch has left Virginia scrambling for ways to replace those jobs.

The community college system is one of the quickest routes to provide non-degree-based training to fill those jobs. “After talking with business leaders from a variety of sectors, we realized there are many good-paying jobs available right here in our community for those with proper training and credentials,” Couch said. “The CDL program and others like it allow students to earn the needed skills in just a few weeks and then move immediately into a rewarding career. It means jobs for those who need them and a qualified workforce for our region’s employers. It just makes good economic sense.”



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Your IT security exposure is scarier than you think

But that may mean opportunities for Southwest Virginia

By Scott Robertson

So one day you're reading your email at the office when you notice a message at the bottom of the screen saying, "This account is active at another location." The next screen shows an IP address, which you look up, only to find that someone in Lagos, Nigeria is sending messages from your account.

First, change your password. That very second. Next, notify everyone you know that the email is not from you, and that their accounts may be compromised if they open it. Then pray, because IT security breaches are potentially disastrous. Ask the Sullivan County businessman who found himself and all his employees locked out of their computers until they agreed to pay ransom to the offshore hackers who had taken control of them. Ask the small businesspeople across the nation who have gone out of business because of the cost of complying with government regulations on how to handle such a disaster.



Sam Wolford, GENEDGE, addresses a cybersecurity seminar in Wise, Va.
Photo by Scott Robertson

A recent cyber security seminar hosted at the Inn at Wise by Travelers Insurance, South-West Insurance, the Wise County/Norton Chamber, Mountain Empire Community College and the University of Virginia-Wise offered information and a great many words of caution to attendees.

Lynda Jensen, senior claim counsel for Travelers told the roughly 100 businesspeople in attendance that hackers are far from their only security breach threats. "Unauthorized access to, and/or acquisition of protected data can come via hacking, via a lost or stolen device such as a laptop or cellphone. It can come from inadvertent transmission of data or by the actions of a rogue employee. It can come from malware or virus. It can even come from third-party negligence."

And if that shopping list isn't troubling enough, what happens once a breach occurs is downright scary. Let's say your computers had account

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UVA-Wise is operating a cybersecurity business accelerator in this St. Paul building. Photo by Scott Robertson

SECURITY, CONTINUED

information regarding your customers, clients and vendors from across the country. Your business must be able to prove that, as quickly as possible, it made a reasonable effort to let all of those entities know of the breach, and that their information may have been compromised.

That doesn't necessarily sound too onerous until one considers the fact that your business must follow the definitions of "as quickly as possible" and "reasonable effort" set by each state in which any of those customers, clients or vendors may have been at the time of the breach. In other words, if you have a client in California, you may have to inform them within a certain number of days via telephone, while Nebraska may require only an electronic notification within a month.

It's on you to find out where all your customers, clients and vendors were at the time of the breach. Then it's on you to follow the laws of those specific states. The regulators, one seminar attendee noted, can shut you down easier than the hackers.

Jensen's advice was to do everything you can to demonstrate you have taken reasonable precautions before anything happens. It may or may not help against the hackers, but it will help against the regulators.

Sam Wolford of GENEDGE told the seminar attendees that the next generation of attacks will come from what's known as "the Internet of things," devices such as medical implants, smart TVs and cars that have chips that can access a network. The guys in the black hats can use those to access your network for nefarious purposes. The infamous Target hack was accomplished by hackers who broke into the network through the HVAC system.

The local opportunity

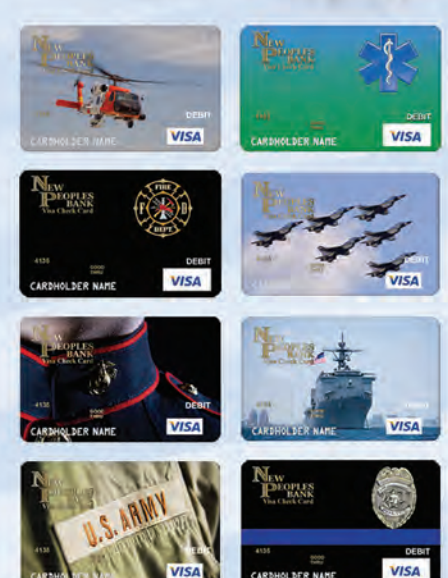
The hypercrowded IT marketplace in northern Virginia makes starting up a small cybersecurity company almost impossible. So on July 22, the governor's office announced the signing of a memorandum of understanding between UVA-Wise and the MACH37 cyberaccelerator. Under the agreement, UVA-Wise will operate the Oxbow Center for Technology and Innovation in St. Paul. The Oxbow Center will serve as an accelerator for small cybersecurity start-up companies, with UVA-Wise and Mountain Empire Community College offering their own students courses that will prepare them for work in the cybersecurity field. **B|**

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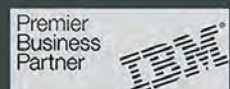


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UNC Morehead-Cain director meets with ETSU Roan Scholars leaders

By Scott Robertson

When Louie Gump first suggested the Roan Scholars program to then-East Tennessee State University President Dr. Paul Stanton in 1997, Gump envisioned a merit-based scholarship program to benefit future leaders in perpetuity. While the vision has grown and prospered on the Johnson City campus in the intervening years, it's the notion of perpetuity that keeps Gump and the Roan Scholars staff striving for more. With the topic of sustainability top-of-mind, Gump last month hosted

Chuck Lovelace, executive director of the University of North Carolina's Morehead-Cain program, the scholarship on which the Roan is based.

The Morehead-Cain program began with the creation of the John Motley Morehead Foundation in 1945. Because of its age and the relative size of UNC, the scale of the Morehead-Cain program is significantly greater than the Roan Scholars program at ETSU. Morehead-Cain has 3,000 alumni from 64 classes. Despite the differences created by the contrast in scale, both programs are based on a concept of offering promising students a leadership-based scholarship, as opposed to a purely academic scholarship. "We say we have four buckets," Lovelace said, "leadership, scholarship, physical vigor and moral force of character. Leadership is the biggest bucket."

Gump, a 1961 alumnus of the Morehead-Cain program, said the growth of that program has been instructional for building the Roan. "The (Morehead-Cain) program as it is now is pretty significantly different from when I went through. You didn't have a lot of the internships, summer activities and outdoor adventures. It was basically the academic program and leadership seminars — opportunities to meet with leaders."

Both programs now have opportunities for students to access community leaders in much the same way Gump did, but both also offer the other activities and adventures Gump



Karen Childress shares a basket of locally produced goods with Chuck Lovelace (center) and Louie Gump. Photo by Scott Robertson

mentioned. "Both the Roan and the Morehead-Cain are magnets to attract people," Gump said, "not only to retain the area's best, but to attract people to the university, the institution, that otherwise might not come."

Gump and Lovelace were joined in Johnson City by Karen Childress, a Morehead-Cain alumna who moved to Washington County, Tenn., because it was her husband's home. Childress, executive director of Jonesborough Locally Grown, which runs the Boone Street Market, hosted Lovelace (and more than 200 others) at the Farm to Table Dinner over the weekend.

"Here are two people," Lovelace said, pointing first to Gump, then to Childress, "one of whom came home to make an impact on his community and another who wasn't from here, who relocated here, adopted the community and had a commitment to it. They're both really great examples of what Mr. Morehead had in mind."

While the Roan Scholars program is smaller, it is growing, Gump said. The program has gone from four scholars per year to eight, and the staff size is increasing to meet the greater needs. "Along with growth of the staff, that leads to one of the things I'm almost obsessed with now, which is sustainability and continuity. The fact it's up and running is fine, but we want to make sure it keeps on." ■

Kingsport to benefit from ETSU-Wellmont nurse training partnership

East Tennessee State University and Wellmont Health System are partnering to expand the university's accelerated bachelor of science in nursing program in Kingsport and increase the number of nurses in the community.

Twenty students began taking courses this semester in the new ETSU-Holston Valley Medical Center Accelerated BSN Program, with an additional 20 expected each fall and spring semester.

ETSU will provide classroom faculty. Classes are at the ETSU at Kingsport Downtown campus. Wellmont will provide faculty for all clinical training and instruction, which will primarily take place at Holston Valley. Both entities will be involved in other aspects of student training, including interprofessional education and simulation.

"Through this partnership, we are able to expand the number of nursing students able to attend ETSU," said Dr. Wendy Nehring, dean of ETSU's College of Nursing, noting an acute nursing shortage in the Tri-Cities.

Wellmont will give program graduates priority consideration for nursing and nurse tech jobs at its facilities.



Students in the ETSU-Wellmont nurse training partnership's inaugural class Photo by Jeff Williams

Holston Valley's Dr. Lisa Smithgall, the program's co-director, said this venture is an excellent opportunity to showcase the importance of serving patients in a hospital.

"We are excited to collaborate with ETSU to strengthen the pipeline of nurses by creating this avenue for students to receive their clinical training at Holston Valley," Smithgall said.

Holston Valley will utilize 10 nurses who have earned their master of science in that field, as well as about 40 other highly skilled nurses who provide patient care at the hospital. The hospital will provide a four-room simulation lab and an assessment lab so students can further develop their skills as emerging professionals.

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Proposed MSHA-Wellmont merger clears a hurdle in Virginia

By Jeff Keeling

Editors note: A longer version of this article that also includes updates on the merger process in Tennessee is at bjournal.com/mergeraugust26.

ABINGDON, Va. – Mountain States Health Alliance and Wellmont Health System reached a milestone Aug. 26 in their merger effort as the Southwest Virginia Health Authority (SVHA) deemed the hospital systems’ application for a “cooperative agreement” complete.

The unanimous vote – numerous members abstained due to conflicts of interest – followed more than two hours of public comment, expert opinion and board member questions.

The action doesn’t signal approval of the application, but rather starts a clock ticking in Virginia – one that could last roughly seven months, and will culminate in Virginia Department of Health Commissioner Dr. Marisa Levine either approving or denying the cooperative agreement. That agreement would govern the merger, and provide a framework for “active supervision” by the state meant to mitigate disadvantages resulting from reduced competition.

SVHA members had spent several months mulling the

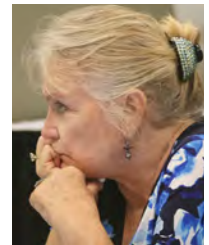
Feb. 16 initial application and interacting with hospital system officials. In March, they formed five “working groups” centered around major issues related to the proposed merger, and presented MSHA and Wellmont with 68 additional questions following several months of discussion with hospital representatives and internal meetings.

Kyle Shreve, director of policy for the Virginia Association of Health Plans, presented a multi-point argument against moving the application forward. “Many questions have not been answered fully, or the answers given do not provide the requisite level of detail or explanation,” Shreve said.

VAHP’s top concern was what it deemed inadequate measures to address potential harm to competition. The comments referenced



Dr. Thomas Massaro



Dr. Dixie Tooke-Rawlins

SEE **MERGER, 28**

- 10:00am *Washed the windows.*
- 10:15am *Ran a virus check on the computers.*
- 10:45am *Checked inventory.*
- 11:00am *Rewrote our newspaper ad.*
- 1:30pm *Changed out light bulbs.*
- 2:45pm *Had to put off working on finances...again.*
- 3:00pm *Called Pete at First Tennessee.*



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MERGER, CONTINUED

what VAHP said would be a 90 percent-plus market share in most cases, which it said, “will result in very likely anticompetitive harm.”

Levine laid out the same case he has for nearly two years about a regional merger’s potential benefits. His argument centered around decreasing inpatient admissions per 1,000 population nationally, how that trend is likely to impact this area even more acutely because its hospitalization rates are higher than average, and how stagnant population growth here compounds those factors.

SVHA members’ questions centered around potential detrimental effects in Virginia, where, by Levine’s own admission, most MSHA-owned hospitals lose money and are subsidized by better-performing ones. Members have asked repeatedly about commitments to keep all hospitals open in some health care capacity for at least five years, and to predicate any major changes in services on some form of approval by local boards.

Currently, Levine said, the systems can close struggling rural hospitals at will – the 2014 closure of Wellmont’s Lee County, Va. hospital serving as a prime example.

“I know and I understand – we’ve talked a couple times about what’s happening in health care today,” SVHA board member Dr. Dixie Tooke-Rawlins said near the end of Levine’s presentation. “But what’s happening in health care in Southwest Virginia is our concern. We recognize that hospitals are at risk here. We’re really all about a plan to still provide services in the community. In

general it was good to hear you say, ‘these are the services we want to have in the community,’ so we know the repurposing is robust.”

Levine said the systems’ ability to “continue to cross-subsidize these types of things becomes more difficult” as volumes decline at the more successful hospitals. Supporting those services, he said, will be easier post-merger as margin pressure is eased through efficiencies and eliminating duplicative services where they’re unnecessary.

“I ask you to look at this incrementally,” Levine said. “What is the state of affairs in Southwest Virginia if there’s no merger, and what are the possible consequences of that decision, and what are the consequences of the decision if there’s a regulated merger where we have a partnership with the Southwest Virginia Health Authority and a regulatory structure in place within the Commonwealth of Virginia to make sure that we aren’t hiking prices up because of the merger and that we aren’t letting quality decline because of the merger?”

“Those are the fundamental issues that any antitrust authority should be concerned about.”

Dr. Thomas Massaro, one of the healthcare experts, said SVHA members didn’t yet need clarity on all the issues to deem the application complete. That could come later, he said.

“From my perspective and I think from all three of our perspectives, this is a very unique situation,” Massaro said. “You’ve got two states involved, you’ve got a regional authority, you’ve got two departments of health, and the sooner that you can get to the position where everyone who deserves to be at the table is at the table and discussing what’s going on, the better off you’ll be.”

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has joined the firm and will anchor PennStuart’s new Johnson City, Tennessee office.

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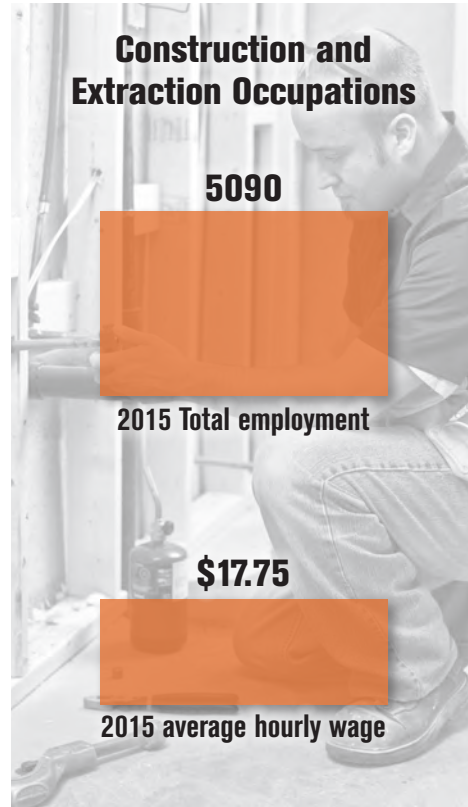
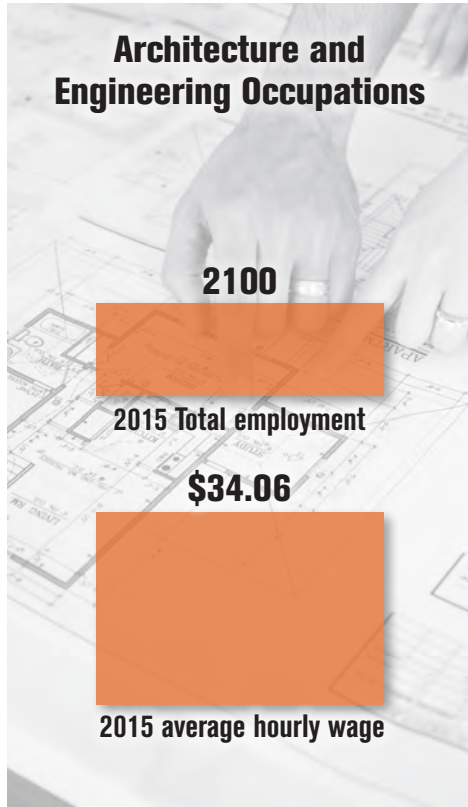


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Northeast Tennessee home sales trend lower, but still strong

Closings on Northeast Tennessee single-family home sales took a breather in July. The year-over-year gain was 5.4 percent, but they were 10.2 percent lower than June. So far this year the year-over-year closings have been up by double-digits in all but two months. Northeast Tennessee Association of Realtors President Marsha Stowell said the decline isn't necessarily a red flag. New pending sales in July remained strong, she said, but there was a slowdown in the number of pending sales from May and June that were closed. During May and June a little more than 66 percent of pending sales were closed. In July that rate dropped to 53 percent.

Closings on previously owned, single-family homes in the

11 counties monitored by NETAR's Trends Report totaled 585 in July, compared to 555 in July last year. The average sales price was \$166,531, down \$2,383 from last year.

July's regional inventory was 23 percent lower than last year and new listings lagged last year by 5 percent. The number of months it would have taken to exhaust the active inventory at July's sales rate was 4.9 months. The rule of thumb is six months.

The average single-family home sold during July was on the market for 146 days, up six days from June last year and up seven days from June. The average days on market for condos was 127 days compared to 216 days last year and 139 in June.

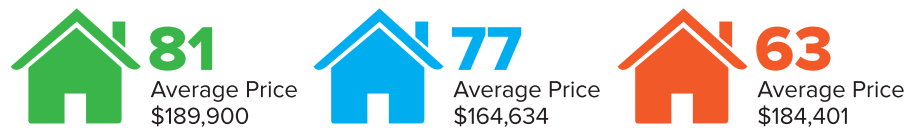
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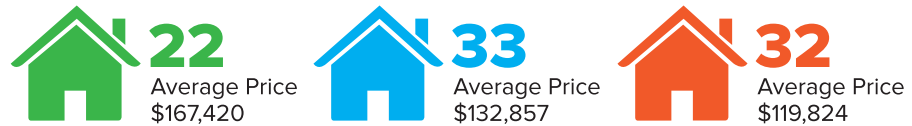
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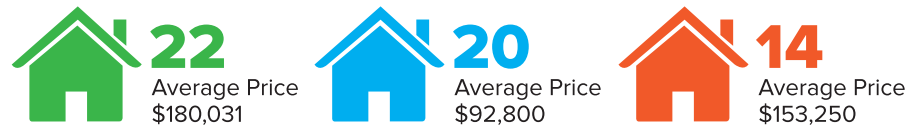
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NOTE: NETAR counts city sales as those made in a city's high school zone. City data is included in county totals.

Administration

Dr. Matthew Loos has been named vice president/chief medical officer for Mountain States Health Alliance's Washington County (Tenn.) Market.



Matthew Loos

Loos previously served as vice president of medical affairs, West Virginia University Hospitals. He brings more than 13 years of healthcare experience to the position.

As chief medical officer, Loos will lead the medical staff and help guide physician relations initiatives. He will work closely with the leadership teams of Franklin Woods Community Hospital, Johnson City Medical Center, Niswonger Children's Hospital and Woodridge Hospital. Loos replaces Dr. Clay Runnels as Washington County CMO. Runnels has transitioned to the position of vice president of hospital-based programs and service line development for Mountain States.

"Dr. Loos is a great addition to our leadership team for Washington County," said

Melody Trimble, VP/CEO for Washington County. "We really value our physicians and want to support them in every way we can, and I am confident Dr. Loos' experience and skills will be a tremendous asset to our medical staff."

With more than a decade of experience caring for patients at Mountain States Health Alliance hospitals, Morgan May, RN, has been promoted to chief nursing officer at Johnson City Medical Center.



Morgan May

"Morgan's outstanding dedication to quality and her tremendous leadership skills have earned her a series of promotions within Mountain States, and we are thrilled to now have her in this critical leadership role at the system's flagship hospital," said Melody Trimble, vice president and CEO of Mountain States Health Alliance's Washington County, Tennessee market.

May joined Mountain States as a staff nurse before being promoted to nurse manager at Sycamore Shoals Hospital. There, she made a number of contributions in the areas of quality and innovation, including the development and implementation of a screening tool for sleep apnea, and beginning the development for the hospital's Chest Pain Center's certification. May joined Johnson City Medical Center as a nurse manager, and was on a team that built a new computer documentation system for the entire organization.

In her new position as chief nursing officer, May will work with the medical staff, clinical nursing and support teams to guide the practice of nursing. She will also closely work with the nursing leadership teams at Franklin Woods Community Hospital, Niswonger Children's Hospital and Woodridge Hospital.

Burk I.T., an information technology and security services firm based in Kingsport, Tennessee, is pleased to announce that Tony Jennings has joined the

COMING MARCH 2017

KINGSPORT CENTENNIAL PUBLICATION

The Business Journal of Tri-Cities Tennessee/Virginia is excited for the opportunity to partner with the City of Kingsport to publish a commemorative edition celebrating *Kingsport 100*, an historical look back at the businesses and people that have made Kingsport a great place to live, work and play for 100 years! The glossy, color, magazine style publication will highlight Kingsport history over the past 100 years and will be filled with photos and editorial documenting the growth of the Model City from its charter on March 2, 1917.

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The Centennial publication will be available in print and on-line at *Bjournal.com*, giving access to this keepsake history of Kingsport to virtually anyone, anywhere!

For questions or to reserve your space in the Kingsport100 magazine, contact:

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organization as controller. Formerly with Dent K. Burk Associates / Brown Edwards & Company, Jennings is a graduate of the University of Tennessee and comes to Burk I.T. with 35 years of experience as a certified public accountant.

“We are thrilled to welcome Tony Jennings to our team,” said Jimmy Orton, president of Burk I.T. “Tony’s experience and expertise will be invaluable to both Burk I.T. and our customers as we work together to support, grow and expand world-class IT organizations.”

Advertising/PR

Ntara has announced the recent addition of a new creative/user experience/user insight director. Ron Coalson comes to Johnson City with 15 years of experience in B2C, B2B, and healthcare environments. As a recent creative director at MCD Partners in Chicago, Coalson was instrumental in the successful deployment of *Discover.com*, yielding 1 million unique visitors within four weeks of launch.



Ron Coalson

Coalson has worked with the likes of IKEA, Microsoft, Comcast, Adidas, Anthropologie, ESPN, Burger King, Xerox, MTV, Spike TV, Comedy Central, Logo, VH1, Pilot Pen, LensCrafters, Tria Beauty, Allergan UK, NBC, FOX, and Xfinity.

“There are numerous reasons why I am excited to join the Ntara team—culture, talent, location and growth just to name a few. But what truly excites me about joining the team are the people,” Coalson says. “It is evident the team that makes Ntara tick is by far the most talented and friendly team I have seen from New York, Chicago, to California. Ntara truly is a gem tucked away in Johnson City, Tennessee.”

Coalson has been involved in producing campaigns for brands across the globe, specializing in creating concepts and strategies with extensive experience in creative, user experience and strategy. His ability to optimize utilization of development, delivery and managing operations through process improvement planning, program coordination and strong business relationship management make him an obvious fit.

“The leadership team at Ntara has been looking far and wide for the perfect fit to

fill the creative/ux director role,” says Jeff Morris, CEO at Ntara. “We believe strongly that having the right person that is a match with our culture, values and client mix is imperative. Ron shares our passion for building great online experiences, and we are very excited to have him join us.”

Branding Iron Marketing, Advertising and Public Relations has announced the hiring of Tim Rhea as the company’s newest studio artist. Rhea will be responsible for visual styling and layouts for all print production and digital content.

Said Rhea, “It’s been an honor to join the team at Branding Iron. I admire the

staff’s ambition and commitment to client service and anticipate assisting the agency achieve its objectives.”

Rhea has more than 20 years of experience in graphic design in the advertising industry. He has a Bachelors Degree in Fine Arts with a concentration in Graphic Design from East Tennessee State University.

“When reviewing candidates for the



Tim Rhea

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ON THE MOVE, CONTINUED

position we were impressed by Rhea's experience in the industry and his broad range of skills. He is very quick to adapt and has an eye for detail – and he's an all-around great guy," said Branding Iron Creative Director and Co-founder, Marne Brobeck.

"Part of building and growing Branding Iron in the last nine years has been identifying people whose skills meet our clients' needs and whose work ethic matches our small business environment," said Branding Iron Co-Founder Scott Emerine. "Rhea understands who we are as a company and the role he plays within our organization. I look forward to working with Rhea as we continue to deliver exceptional creative materials and service to our clients."

Banking/Finance

Shawn Porter has joined HomeTrust Bank's Kingsport commercial lending team.

"I'm excited to join HomeTrust Bank," said Porter. "HomeTrust is focused on serving its customers and communities through

building strong, long term relationships. I'm pleased to join such a like-minded organization."

Porter has 18 years of financial services experience; nine years with Wachovia Bank where he started his career in dealer services, a year at Regions Bank where he entered the commercial market as a credit underwriter, and eight years at First Tennessee Bank where he continued his commercial experience as a relationship manager.

A 2011–12 Leadership Kingsport graduate, Porter is active in the local community; serving on the Rotary Board, as well as past and current United Way Committee Chair posts. He enjoys spending time with his family and likes getting involved with many different sporting activities.

"HomeTrust is focused on continuing to expand our commercial portfolio here in the Tri-Cities," said Corey Webb, Tri-Cities market president. "Shawn brings regional bank credit and relationship management experience to our commercial team. He knows the Kingsport market and has a proven track record of successfully manag-

ing solid credit portfolios. Our business customers will benefit from his knowledge and experience."

First Tennessee has named Cindy L. Chafin financial center manager for its Memorial Boulevard office in Kingsport. Chafin has 14 years of experience in small business and consumer banking. Her responsibilities will include business development, managing the daily operations of the financial center, helping customers meet their financial goals, and expanding the First Tennessee presence in the region while serving the Kingsport community.

A graduate of Northeast State Community College with an associates degree, Chafin serves on the finance committee of the United Way of Greater Kingsport and is a resident of the Colonial Heights area of Kingsport.



Cindy Chafin

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Lori Keene, CMP
Sales Manager



Adam Maurer
General Manager

First Tennessee has named Brian Kennedy vice president of commercial banking in Johnson City. Kennedy has more than 18 years of banking experience and will be responsible for all facets of a business or corporate customer's banking experience, including the sales and service of loans, deposit products and treasury management benefits and building and maintaining solid, creditworthy, and profitable relationships that are mutually beneficial to First Tennessee Bank and its customers.



Brian Kennedy

Kennedy has a degree from East Tennessee State University in Engineering and is RMA Certified (Risk Management Association Commercial Credit Training Program). He is a resident of Bluff City and serves on the board of Junior Viking Football and has been a chairman for a past employer of the United Way drive for several years.

Buford Ervin has joined Powell Valley National Bank as a business development officer. His primary locations will be the Duffield, Va., and Kingsport, Tenn., offices.



Buford Ervin

"We are very excited to have Buford Ervin join the officers and staff of PVNB", said Leton L. Harding, Jr., CEO. "Buford has a long and extensive history of serving the region. He brings a wealth of experience to our bank in meeting the loan, deposit and financial services needs of the communities we serve, and has a strong reputation for community and customer service."

Ervin is a native of Scott County, Va., and a graduate of East Tennessee State University. He has nearly 46 years of financial industry experience, most recently with Highlands Union Bank in Abingdon, Va.

Ervin is a former president of the Lee-Wise-Scott Bankers Association, past president of the Scott County Chamber of Commerce, and past treasurer and former president of the Rotary Club of Scott County. Ervin and his wife, Wanda, reside in Weber City.

BJ Med Briefs

MSHA reports on fiscal 2016 results

Mountain States Health Alliance (MSHA) had a steady fiscal 2016, according to a recent report, but the second half of the year saw inpatient volumes decline as elements of overall healthcare reform – payment reform in particular – continued taking hold. In its quarterly report to bondholders, MSHA showed total revenue of \$1.067 billion, up from \$1.002 billion in fiscal 2015, and net patient service revenue of \$1.021 billion, up from \$1.002 billion.

Total expenses were up by slightly more than income, with merger-related expenses related to MSHA's proposed merger to Wellmont weighing, and left operating income of \$28.5 million – nearly 20 percent below last year's \$35.5 million total. On the non-operating side, the system lost \$17.2 million after posting a \$7.1 million gain in 2015, leaving overall "excess of revenue, gains and support over expenses and losses" at \$11.4 million. That figure is 73 percent lower than 2015's, though

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MED BRIEFS, CONTINUED

EBITDA totals were much closer – \$145.3 million for 2016 compared to \$153.5 million a year earlier.

MSHA saw inpatient admissions decline by 7.1 percent year-to-year in the fourth quarter of FY 2016 (through June 30) as ongoing changes in health care continued to impact the system’s core business. The drop left MSHA, which had experienced admissions growth for several consecutive quarters until the third quarter of 2016, with a 0.2 percent admissions decline compared to FY 2015 – 61,899 compared to 62,049. Inpatient admissions declined 3.4 percent in the third quarter. Fourth quarter admissions were 14,747, compared to 15,867 in the fourth quarter of 2015.

The unaudited numbers come from MSHA’s fourth quarter submission of information to bondholders, and also show improvements in both other patient care numbers and in total revenues. The system also continued its accelerated debt paydown, with total long-term debt dipping below the \$1 billion mark (to \$987 million) for the first time since the end of fiscal 2008.

“Shifts in the setting for care,” as MSHA’s management discussion narrative described the inpatient declines, are being influenced by a number of factors, many of them related to payment reform at the federal level. They include:

- A decline in inpatient surgeries, “as several procedures shifted from inpatient to outpatient.”
- A focused effort, in partnership with physicians, to reduce hospital

readmissions. The report noted that readmissions declined by 263 in the quarter.

- Lower rates of patients being admitted to the hospital after presenting at emergency rooms. Admit rates declined from 14.3 percent to 12.7 percent, with the result being 1,050 fewer admissions during the fourth quarter.

As those major shifts continue to affect the system’s core business, MSHA’s leadership has worked to control labor costs, the report showed. Although “operating expense per admission” for all of FY16 was 3.5 percent higher than FY15, the fourth-quarter comparisons told a different story as that figure was 7.2 percent lower than the fourth quarter of 2015. The difference, the report said, was because the system is, “focused on improved labor expense management during a period of declining low acuity patient volume.”

One factor offsetting the cost improvement was a slight increase in supply cost per adjusted admission, “due to the loss of 340(b) drug pricing at one facility.” The 340(b) program, overseen by the federal Health Resources and Services Administration, requires drug manufacturers to provide outpatient drugs to eligible healthcare entities at significantly reduced prices. Eligibility is dependent on a range of requirements.

A major root of most changes impacting MSHA is the shift of care for an increasing number of conditions away from inpatient settings.

“We believe lower acuity admissions are affected as we collaborate with our physicians and post-acute providers to reduce overall cost of care in alignment with Medicare and insurer value-based purchasing efforts,” the report stated. **B**

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Power board's, hospital systems' major changes rooted in overall trends

By Jeff Keeling



'Boy, this sounds familiar,' I thought one recent Monday night as I listened to Johnson City Power Board (JCPB) leaders answer questions from Johnson City commissioners about JCPB's request to be granted "authority" status.

"We need to be able to adapt to changes in the marketplace."

"The core of our business is threatened by innovations in our industry and changing use patterns by consumers." "Our current structure prevents us from best pursuing the kinds of changes to our business model

that will allow us to thrive and to best serve our electricity customers at the most affordable rates."

If you had swapped out JCPB's appointed leader Jeff Dykes with Mountain States Health Alliance (MSHA) CEO Alan Levine and done the same with the JCPB entourage, and if the product were inpatient hospital care instead of electricity, many similar arguments for change would be put forth. In fact they have, as MSHA and Wellmont Health System seek both public support and regulatory permission for a merger.

What gives here?

Take these things in equal parts: an aging, stagnant population; slow job growth; declining hospital inpatient rates; declining rates of electricity use; and sweeping changes nationally in how people consume health care and energy.

Mix them all together and toss in newish, innovative leaders at the organizations that for decades have dominated the delivery of acute health care and electricity to local citizens, and you get the complex new dishes being proposed for our regional consumer menu.

JCPB leaders say as an authority, they'll be able to enter private-public partnerships, taking full advantage of trends ranging from alternative energy and battery storage to provision of ancillary opportunities such as internet service. They can do these things now, but not nearly as effectively due to an inability to partner with the private sector. Doing them most effectively, they told city commissioners yet again, will allow the authority – without commingling funds between its new endeavors and the standard electricity service, mind you – to somehow help alleviate electricity rate increases despite declining use and all the other changes swirling about.

City commissioners, like the groups charged with

deciding whether to approve the MSHA-Wellmont merger, are making haste slowly and asking a lot of questions. Indeed, they should, for as Commissioner Jeff Banyas astutely pointed out, "I have seen too many screw-ups in the last 10 years of doing these things, 'oh, we'll work out the details later,' and the details don't get worked out, and things that we would not want to have happened, happen."

Ultimately, though, the JCPB and hospital system requests are part of a broader picture as entities ranging from power provision and health care to education and economic development seek efficiencies and scale in a rapidly changing world. The changes should be carefully vetted, yes, but in the end – provided they're executed well – they are likely to benefit our region, not harm it.

Certainly, major differences exist between the JCPB request and plan and that of MSHA and Wellmont. The hospital systems have a much more complex road to travel in order to reach their objective, as well they should. They are competing systems asking permission to form a near monopoly. JCPB is in essence a monopoly asking permission to partner outside its core product area so it can diversify its service lines.

The similarities are striking, though. Both organizations provide services that are part of the underpinning of Americans' comfortable, prosperous way of life. Cheap, reliable electricity and affordable, accessible health care rank up there with good quality transportation, education and safety as fundamentals of a desirable standard of living.

Further, whether it is JCPB's need for diverse income streams or the hospital systems' need for efficiencies (and let's face it, diverse income streams in the form of vertical integration), the underlying causes are similar.

Technology and demography are both changing rapidly worldwide. Businesses and institutions that refuse to adapt, or wait too long to do so, suffer or go under.

The United States, while still home to a dynamic, flexible economy and still the world's most powerful country, is in the throes of superpower middle age. Our predecessor world powers generally didn't respond to their imminent declines real gracefully or innovatively, and neither, in many cases, are we.

On top of these issues, we in this region are older, poorer and sicker than many of our fellow Americans in other regions. Despite its good people and natural beauty, in many ways the odds are stacked against this region. Bold leaders are proposing bold plans and willingly undergoing intense scrutiny as they seek approval. I, for one, think their proposals are based in something more substantive than boosting their own egos, but only time will tell.



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