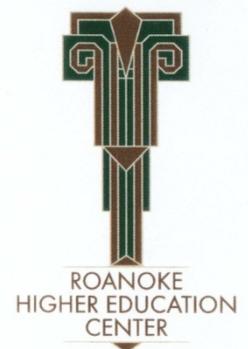


Roanoke Higher Education Authority

Presentation to the
Senate Finance Committee
Sub-Committee on Education
February 9, 2010

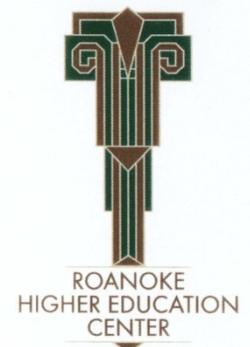


Mission

Operate the Roanoke Higher Education Center to **expand access** to workforce training and higher education **through partnerships** with public and private institutions, agencies, and the business community.

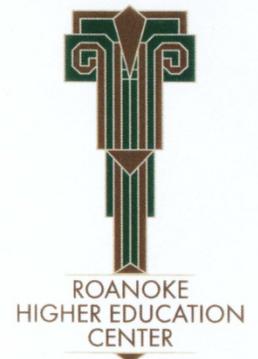
Center Members

- Averett University
- Bluefield College
- Hollins University
- James Madison Univ
- Jefferson College
- Mary Baldwin College
- Old Dominion Univ
- Radford University
- Roanoke College
- This Valley Works
- Univ of Virginia
- Virginia Tech
- Virginia Western C C
- Western VA Workforce Development Board



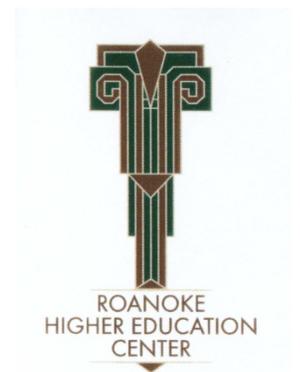
Commonwealth Investment

- One time: **\$9 million construct RHEC**
 - Current value \$22 million
- One time: **\$1.5 million construct CMEC**
 - Current value \$6 million
- Ongoing: **\$1,121,896 current annual operating appropriation** (49% of total revenue)
- Ongoing: **\$62,570 HEETF allocation** (5% of total annual State funding)





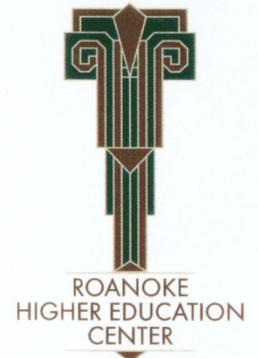
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Non-State Revenue Reductions

- Loss of members (Ferrum College, Hampton University, Nova Southeastern University)
- Loss of other tenants (VDOT I-73 Office; State Dept of Education field office)
- Total Permanent Loss \$68,493 (7% of rent revenue)
- Potential reduction in space by members in FY2011 (64% of rent revenue comes from state higher education institutions)
- Day rental business currently running ↓21%
- 10% reduction in Roanoke County funding FY2011 and possibly more



Impact of Recent State Reductions

- FY2008 3%; 2008-2010 biennium 10% (net 5%)
- Holding critical finance position open
- Eliminated intern position
- Closed building on Sunday
- Reduced purchase of library materials and subscriptions
- Deep reduction in outreach/marketing budget
- Reduced career center expenses
- Eliminated IT audit/assessment and web site redesign
- Deep reduction in expenses for professional development, educational assistance and travel
- Deferred critical building maintenance and repair some of which can no longer be deferred (i.e. LAN switches, telephone system)

Impact of Further Reductions

Significant reduction in service will result from

- Eliminate part-time maintenance assistant
- Eliminate one library staff position
 - Reduce hours of library operation
 - No new library materials; drop some subscriptions including research databases used by students
- Eliminate one Career Center staff position
 - Reduce hours of Career Center operation
 - Reduce number of services provided by Career Center
- Possibly close the Career Center

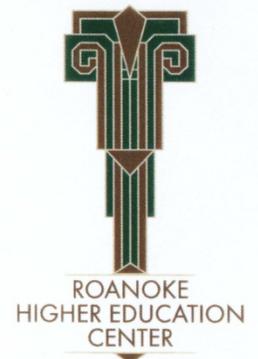
Impact of Further Reductions

Difficulty making debt service payments

- Borrowing \$1.4 million under State Energy Leasing Program to upgrade lighting and HVAC to reduce energy use by 40%
- Energy savings are expected to generate enough to cover debt service, **but**
- Capacity to make annual payments of approximately \$125,000 for the next 15 years would be affected by additional State appropriation reductions

Compounded by

- Loss of non-state revenue
- Increasing cost of service contracts and utilities



Other Capital Projects Facing RHEA

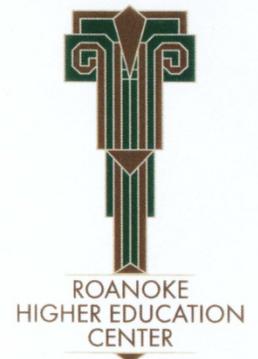
- Roof, curtain wall and plaza repairs to eliminate water intrusion \$875,000
- Repair original windows and façade \$600,000
- Replace LAN switches \$75,000
- Recondition chillers \$100,000
- Upgrade/replace telephone system \$120,000
- Replace worn carpet and furniture \$175,000
- Total cost exceeds existing reserve of \$1.2 million leaves nothing for other maintenance and emergency repairs or other operating needs



What Members Want

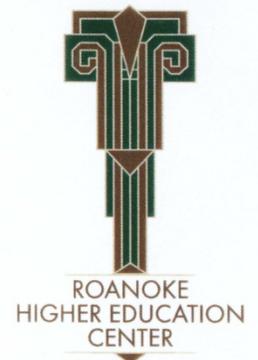
elements valued by tenants

- Quality classroom and office spaces
- High speed Internet connectivity for distance learning, video conferencing and related uses
- Full service library
- Career Center including student referrals
- Security
- Housekeeping
- On-site Café
- Maximum hours of operation for library and classes
- Affordable all-inclusive rent



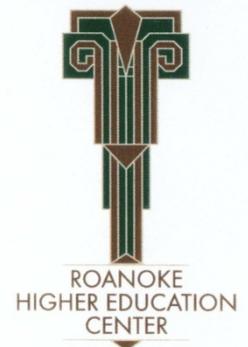
Return on Investment

- Served more than 3,000 students each semester in 2009 (increase over 2008)
- More than 200 programs available from 13 institutions and agencies (GED through PhD)
- 1,443 certificates and degrees awarded in 2009 (increase over 2008)
- More than 30,000 conference participants served in 2009 (increase over 2008)
- For a total FY2009 cost of \$2,430,190
- And a State investment of \$1,186,551(49%)



We Accomplish This With

- Building open 7 am – 10:30 pm M-F;
7 am – 6 pm Saturday
- 16 full time, 2 part time staff members
- Contract security staff
- Contract housekeeping staff



Thank you

Contact

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ROANOKE
HIGHER EDUCATION
CENTER