

1 **CCAM**

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3 **COMMONWEALTH CENTER FOR**
4 **ADVANCED MANUFACTURING**

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10 **WORKFORCE STUDY – RESOURCES MEETING**

11 Friday, August 16, 2013

12 10:00 o'clock a.m.

13
14 Southwest Virginia Higher Education Center

15 Abingdon, Virginia

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25 **APPEARANCES:**

CRANE-SNEAD & ASSOCIATES, INC.
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1 Mr. Dale Moore, Virginia Technical Institute

2 Ms. Beth Dillow Rhinehart

3 Dr. Rachel Fowlkes, Southwest Virginia Higher Education

4 Center

5 Mr. John Capps, Central Virginia Community College

6 Mr. Warren Thacker, Goodyear Tire & Rubber Co.

7 Mr. Nat Marshall, Babcock & Wilcox

8 Ms. CeeGee McCord, Eastman Chemical Resins, Inc.

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12 COMMISSION STAFF:

13 Mr. Timothy S. Pfohl – Interim Executive Director & Grants

14 Program Manager

15 Mr. Neal Noyes

16 Ms. Stacy Richardson – Executive Assistant

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MR. NOYES: Good morning everyone.

1 Let's go ahead and get started. What I'd like to do is do some
2 introductions. Some of us hadn't seen each other before so I'll
3 start. I'm Neal Noyes and for seven years until a week ago I
4 was the Executive Director of the Commission and the
5 Commission has asked me to stay on to work with these
6 panels and get the Advanced Manufacturing Workforce
7 Program under way. Stacy's going to hand out a position
8 description for an employee that will be hired by the
9 Commonwealth Center for Advanced Manufacturing and the
10 Commission provided funds to CCAM for Workforce
11 Development Specialist. Two finalists have been interviewed
12 and I participated in the interview process but I'm not on the
13 selection committee. Wading electronically through something
14 called Survey, that's the first time I've used that. The
15 interviews have taken place and I expect CCAM will make a
16 decision and I'll be handing off my responsibility to that
17 person once they have their feet under them. There were two
18 excellent candidates interviewed but that will give you the type
19 of individual that CCAM was looking for. That person will
20 have ongoing responsibility, oversight responsibility.

21 In the report that you got done by the Boston
22 Consulting Group, it refers to a steering team and the steering
23 team as we're talking now will be the Board of CCAM and it
24 will be Rolls Royce, Siemens, Cannon and those
25 representatives. They've formed a subcommittee with

1 members and an individual from each of the three Centers of
2 Excellence will be added to this subcommittee, not as a
3 member of the CCAM board, it's expensive to join CCAM. The
4 steering committee will actually be the board of CCAM and the
5 subcommittee already exists and will be reporting to the board
6 of CCAM. You can have an idea what's involved.

7 We've had two meetings, curriculum was the first
8 one on the eighth in South Boston and earlier this week we
9 had the marketing committee. It probably would be useful to
10 go over what happened in those two meetings so everybody is
11 up to speed. I look at this as a plenary meeting and to get
12 people's ideas and I hope to operate as a round table because
13 there is no agenda because it's not a Commission meeting.
14 It's you all's meeting.

15 The curriculum committee, credentials will
16 determine the curriculum, the panel will assess credentials in
17 relation to levels of training using NIMS and/or NAM
18 credentials for machine operators and machine maintenance
19 training. AWS, American Welding Society, credentials will be
20 the focus for welding training. There will be an assessment of
21 existing community colleges and other workforce training
22 curricula in relation to NIMS, NAM and AWS curricula. With
23 the Commission resource panel here today and Commission
24 resources to be available when the conformity exists, that is to
25 say that we're not, the Commission is not selecting not to be

1 funded programs in welding, machine operations and machine
2 maintenance unless they have a credential outcome is
3 consistent with the what the credential committee decides in
4 those programs.

5 Instructors are expected to be certified to teach
6 using the equipment that will be used. Presumably this could
7 be through a vendor or some other type of certification.
8 Metalworking and metal forming curricula are offered. That's
9 something that ABB and Rolls Royce private sector members
10 of the curriculum committee said that this is needed and
11 focus on metal forming and metalworking for the machine
12 operations. Non-destructive testing curricula will be offered
13 for machine operators and welding programs. Non-destructive
14 testing was a big area of discussion. The credential itself will
15 determine both curricula and the equipment requirements.
16 Centers of Excellence are to offer standardized curricula
17 though there can be flexibility reflecting existing employer
18 needs within the framework of machine operations,
19 maintenance and welding disciplines. The panel devoted
20 considerable discussion to dual enrollment and it was the
21 consensus that this effort should reach back at least as far as
22 the eighth grade and the costs associated with occupational
23 and technical education to include testing should be eligible
24 for Commission financial support. Reports from panelists
25 were encouraging and local school districts have already made

1 commitments to dual enrollment. Southside Community
2 College reported that last year more than one thousand one
3 hundred high school students earned community college
4 credentials at the point of high school graduation and that
5 really took me by surprise. I knew there was some and other
6 folks reported they had those as well.

7 The marketing committee met on Tuesday, I forgot
8 let's go around the room and introduce ourselves.

9 DR. CAPPS: I'm John Capps, Central
10 Virginia Community College in Lynchburg.

11 MR. MARSHALL: I'm Nat Marshall with
12 Babcock & Wilcox Human Resources.

13 MS. RHINEHART: I'm Beth Rhinehart. I
14 work for Wellmart Health Systems and I'm on the
15 Commission.

16 MR. MOORE: Dale Moore, I work for
17 Virginia Technical Institute.

18 MS. MCCORD: CeeGee McCord, I work
19 for Eastman Chemical.

20 DR. FOWLKES: I'm Rachel Fowlkes,
21 Southwest Virginia Higher Education Center.

22 MR. THACKER: Warren Thacker, HR
23 Representative for Goodyear Tire & Rubber Company in
24 Danville, Virginia.

25 UNIDENTIFIED: Welcome to Southwest

1 Virginia.

2 MR. PFOHL: I'm Tim Pfohl, Grants
3 Director for the Tobacco Commission serving as Interim
4 Director, when this guy supposedly went into retirement.

5 MR. NOYES: First thing he does is call a
6 staff meeting for Monday morning, what are you going to do.

7 Marketing, regarding aligning marketing activities
8 with other existing marketing efforts. Virginia Manufacturers
9 Association Dream It, Do It initiative is specifically cited in the
10 Boston Consulting Group report. VMA has developed
11 actionable recommendations targeted to the Tobacco
12 Commission footprint and those recommendations are to be
13 consistent with the current Dream It, Do It initiative that is
14 only partially operational in the footprint. The Virginia
15 Community College system career counselor is to be assessed
16 to explore how this initiative might be expanded and targeted
17 for skill areas recommended by Boston Consulting Group's
18 report in the Commission footprint. Of particular interest in
19 both the VCCS and VMA will be panelists' concerns about
20 cost-sharing and these things are already operational and we
21 don't want to have Commission funds or funds dedicated to
22 the Advanced Manufacturing Program offsetting other
23 problems, we want it to be added.

24 Regarding target groups for marketing, five were
25 identified: displaced workers, veterans, middle and high

1 school student population, career changers, transition folk
2 and teachers and administrators at the middle and high
3 school levels. Those are the target groups for the marketing
4 efforts. Social media, local TV, and billboard ads, site visits to
5 existing industry. The example somebody came up with
6 manufacturing Saturdays where groups come to plants on
7 Saturdays thinking that would be best for folks that visiting
8 and least disruptive to businesses and that may or may not be
9 true, probably Goodyear operations.

10 MR. THACKER: That would be difficult
11 at any time. We're operating 24/7. I have fifteen hundred
12 people in the plant on any given day.

13 MR. NOYES: They wanted these visits
14 like faculty and students.

15 MR. THACKER: With that being said, we
16 do a lot of Virginia Tech now, senior prospects come down and
17 they come down and they have a free reign of the plant. We
18 certainly could do something like that if needed.

19 MR. NOYES: Internships and
20 apprenticeships were discussed at length. Cost-sharing
21 appears feasible with regard to particular business
22 internships. Further evaluation of how any new Commission
23 support aligns with existing state Department of Labor and
24 Department of Education internship and apprenticeship
25 programs needs to happen. Also, Bedford County is to be

1 invited to subsequent meetings to describe current
2 apprenticeship initiatives. Apparently there's an extensive
3 apprenticeship program in Bedford County, maybe Dale you're
4 familiar with that?

5 MR. MOORE: Yes, sir.

6 MR. NOYES: The final issue raised by
7 the private sector representatives present is the need to align
8 curricula with the internship. That is the core curriculum
9 should accommodate the internship's needs, which may be
10 somewhat different than the standard curricula for machine
11 operators and maintenance and welding. Apprenticeships
12 viewed as a down the road matter at this time. Internships
13 ahead of apprenticeships, apprenticeships being much longer
14 term in terms of resources, which brings us to resources
15 today. On page 42 of the Boston Consulting Group report and
16 I hope you've had a chance to review that.

17 There's three matters that we need to be looking at
18 today. Financial sustainability, let's talk a little bit about
19 financing. The Commission has provided in the current fiscal
20 year July 1st a million dollars in its budget using matching
21 programs so within this year up to twenty million could be
22 spent on the Centers of Excellence. There are additional
23 resources in the Education Committee that may be involving
24 machinist's training or welding. The Centers of Excellence will
25 offer all three disciplines with a core curriculum. Centers of

1 Excellence are not places where we're going to have just
2 welding or just machine operators or just machine
3 maintenance. Up to \$20 million this year and it is expected
4 that the budget next year will have an additional \$10 million
5 of Commission funds and the match. So we're really talking
6 about a \$40 million program that needs to be up and running
7 according to the Boston Consulting Group and producing 225
8 people at the Centers of Excellence and 75 graduates in each
9 of the three by 2018. It's very aggressive considering you've
10 got to do marketing, and you've got to put people in the
11 pipeline that are interested and there's a lot of educational
12 aspects to this and you must acquire facilities and equipment.
13 You've got to have certified instructors on this type of
14 equipment at these sites, Centers of Excellence, this is really
15 very ambitious. It's \$40 million over the next 24-36 months.
16 But we don't have to spend it all in one year. We can carry it
17 forward to the next year. Twenty million dollars will be
18 available in the current fiscal year to get this process
19 underway.

20 One of the tasks in talking with the CCAM board
21 members and one of the things they're interested in having
22 you all do today and I guess this is the second issue that is
23 establish the criteria that will be used for selecting the
24 locations of the Centers of Excellence. I think you probably
25 should start with that and then move to financial

1 sustainability, the infrastructure. What are your thoughts
2 and what is most important when the Education Committee
3 asked to fund the three Centers of Excellence.

4 DR. CAPPS: Accessibility. I think
5 accessibility is crucial. Geographic distribution of the Centers
6 is important.

7 MR. NOYES: The report indicates there
8 should be two in southern Virginia and one in southwestern
9 Virginia. If there are funds to do more, that would be
10 wonderful and there certainly needs to be satellite locations
11 where perhaps one or there's one or perhaps two of the
12 disciplines that could be taught. The three Centers of
13 Excellence, one in southwest and two in southside Virginia.
14 Geographic distribution and accessibility to population
15 centers.

16 MR. MARSHALL: The use of the money,
17 \$20 million and when you start thinking of that and when you
18 go forward and use that money make sure that you're utilizing
19 the resources that are available and they're learning
20 something these students.

21 DR. CAPPS: Trying to find facilities that
22 are already open as opposed to building new facilities, is that
23 what you're talking about?

24 MR. NOYES: That's as much of an issue
25 as timing as it is anything else. We have made one award not

1 out of this \$20 million, one award for a project within the
2 Commission footprint that is specifically designed for
3 advanced manufacturing training. That five million dollars is
4 already spent and that still leaves the \$20 million this year.
5 The timing to be able to get into the facilities is that an issue ?
6 You have to be operational using 75 in each of three would be
7 important to me and I think that means using existing
8 facilities.

9 MR. THACKER: Identifying what tools
10 and programs are out there that are doing something like
11 what we're looking at now?

12 MR. NOYES: Boston Consulting Group
13 looked at what community colleges and what some other
14 providers were doing.

15 MR. THACKER: Our friends at Danville
16 Community College are doing something for us for our plant.
17 We are a union facility, needless to say we're a straight line
18 craft. Most of my career I've been multi-craft in union. We
19 did away with the old apprenticeship program under steel
20 worker, united rubber workers seven years to get everything.
21 Danville Community College actually hired one of our guys,
22 maintenance training coordinator, maintenance technician
23 with Goodyear. They developed a coop program, which is a
24 two year program to get people like electricians and mechanics
25 and machinists and welders. That's already in the works. We

1 put about twelve people a year into it once I have a class
2 graduated, we interview and bring twelve more in. One of the
3 things we're encountering and I don't know if Babcock's is
4 doing the same thing and I've got a chance that 35% of my
5 skilled craft is going to retire by the end of this year, which
6 tells you right now that I have 56 pipefitters and 38 of them
7 are eligible to retire and most of them have over 35 years of
8 service and we'll probably lose most of them. I can't replace
9 that type of a number with the program we've got at DCC. So
10 we're trying to figure out, that's just for pipefitters because I've
11 got other classifications. We've got 260 techs and we're
12 probably going to lose right at 90 to 100 by December. I've
13 already had nine retire the first of August, three of them are
14 pipefitters and that's the one craft we're really struggling to
15 replace and trying to hire right now. We're hiring electricians
16 and mechanics but pipefitters are really hard to find and hire.
17 One of our requirements is you have to have a journeyman's
18 card and it needs to be an industrial journeyman's card, not a
19 commercial. We found they don't have the troubleshooting
20 skills to do the work to work in the facility. You have to have
21 some industrial experience. We struggle to try to do all that.
22 We've got programs like DCC out there so I don't know what
23 we're going to do. We need fully trained multi-craft techs
24 whether it's welders, mechanics, I don't know how all the
25 other facilities are doing it but I have to have straight line craft

1 because of the contract with the union and they stipulate
2 what I've got to hire through the union and there's an
3 arbitration ruling on the number I have to keep. I think if
4 there's programs out there wherever they are in the state, we
5 should utilize them. DCC is set up pretty much with what we
6 have at our plant.

7 MR. NOYES: I simply don't know how
8 pipefitters and pipefitting would fit within the welding or
9 machine operations. Presumably there will be some flexibility
10 to have specialty areas within the welding discipline or within
11 the machine maintenance discipline. We have an educational
12 program that has money over and above the funds set aside
13 for Centers of Excellence and can be used for customized
14 training. The Boston Consulting Group report says that we
15 need to be doing that. One of the folks I interviewed for this
16 position at CCAM is going to hire for really has an
17 extraordinary track record working with companies to do
18 customized training to meet their needs. The Centers of
19 Excellence are not designed specifically for this purpose. The
20 reason the Commission is doing this is we're interested in the
21 supply chain for certain advanced manufacturing and the
22 CCAM companies and that's the starting point. In order for us
23 to market southern and southwest Virginia, we have to be able
24 to show that we have the capability of producing a workforce
25 that will meet those needs. If pipefitters would be within that

1 group, I don't know, but the Commission does have resources
2 that are available on a competitive basis. If pipefitters are
3 what somebody needs we can go to Danville Community
4 College and say twelve isn't enough. This is the equipment
5 and personnel and providing training and that sort of thing.
6 We've been doing that for many years and we've supported
7 Danville's requests many times, right Tim?

8 MR. PFOHL: Yes.

9 MR. THACKER: Beyond pipefitters,
10 there's a need for electricians and including robotics. You've
11 got to have electricians with experience. We just have to have
12 those people and not every program has that. We've just got
13 to have these electricians that have PLC experience, most
14 notably Allen Bradley and not every program has that.

15 MR. NOYES: The curriculum is going to
16 drive the, the Curriculum Committee is going to weigh in on
17 that. The Education Committee has already made the
18 decision that they're not going to be supporting programs that
19 don't have the nationally recognized credentials. I think that's
20 really a good policy and we haven't been doing that all along
21 and that's why the Boston Consulting Group found that it
22 was, it mentions Danville Community College having one of
23 the best operations within the Tobacco Commission footprint
24 but some community colleges don't have any program for
25 welding and machine operators and machine maintenance

1 and we need to build upon those but we're going to do it based
2 on credentials. It can be more than one credential in welding.
3 Welding is a continuum, there's probably seven, eight maybe
4 ten levels all the way from being able to fix your garden gate to
5 doing underwater nuclear vessels. We don't need to be doing
6 garden gate or underwater nuclear vessels but there's going to
7 be a middle ground or level two, three or four welding
8 credentials. Rachel, did you have a comment?

9 DR. FOWLKES: Going back to about
10 where the Centers of Excellence should be located I feel like
11 that one of the more important things is they have to have an
12 infrastructure to operate effectively so we don't have to
13 reinvent the wheel. I feel like the community college system
14 has and some are stronger than others like Central Virginia,
15 Danville and to partnership with industry that's really strong.
16 They're tailoring programs with credentialed instructors to
17 meet the specific needs of this industry. Like if we were to
18 center the three centers in either one of those community
19 colleges with a great track record here or in the middle
20 between several so say if southwest has got four community
21 colleges operating here and they operate these centers and
22 anything we can do to enhance what the community colleges
23 are doing to give them more effective tools to accommodate the
24 needs of industry around the region. Eastman, you can talk
25 about the fact that they have a great partnership with the

1 Northeast State and they're centered in Kingsport and they've
2 got that partnership. They target specifically the types of
3 deals that Eastman and some of the other industries really
4 need and I hoped you would address that. I hate to see us
5 reinvent the wheel because you've got some of the components
6 in place that really need strengthening to do what our
7 industries want them to do. You can outline some of the
8 areas that are needed in Danville, I'm sure you have similar
9 ones at Babcock. All of our community colleges are similar.
10 Then after the, the project never goes away and it reinvents
11 itself continuously.

12 MR. NOYES: There's a lot of other
13 training providers.

14 DR. FOWLKES: That's true. You can
15 write into the credentials whatever you want to and that's the
16 collaboration you need with other partners.

17 MR. MARSHALL: When you consider the
18 collective aspect of it, it's important that we as a business unit
19 and when I'm looking out there there's ten educational
20 facilities trying to vie for my services or my folks and if you're
21 going to build a new facility or actually being serviced by the
22 one, that is a concern, just to throw a lot of money at
23 something that's already in place that makes good sense what
24 you said. It would be good to utilize these three or four
25 community colleges where one may have a machine shop and

1 Danville might have a machine shop and it may not have the
2 same as some other facility. So it makes a lot of sense to have
3 a point where you draw upon all of the existing expertise and
4 facilities. One of the problems I have is that they and my
5 needs may be very basic and tomorrow it could be very
6 different and I can't imagine what I'll need for a modular unit
7 we talked about earlier. With the technology and the folks
8 that are going to do it and we may have to consider it in 2022.

9 MR. NOYES: That's a point well taken
10 and I understand the point.

11 DR. FOWLKES: When you look around
12 the room today, you've got New College and you've got South
13 Boston Higher Education Center and going back to the
14 number of providers but if you had one focus point say the
15 community college targeted to be the focal point and all work
16 together to provide specific services that we all can contribute
17 to and different components good at the work they do in that
18 particular facility.

19 MR. NOYES: You're going to do it at one
20 of three locations?

21 DR. FOWLKES: Right or –

22 MR. NOYES: There's not enough money
23 to do this on a distributive basis.

24 DR. FOWLKES: I understand where
25 you're going but say there's a piece of equipment that might

1 be relevant to what Warren is doing, it wouldn't make sense to
2 have that piece of equipment at all three places. You'd have to
3 have three programs considering the schedule for that, the
4 individuals could get to there and get their training without it
5 being over a twelve week period Wednesdays or Fridays or
6 something that will work for the training.

7 MR. NOYES: We will go where the
8 expertise is.

9 MR. MARSHALL: We will go where the
10 expertise is. Currently we have the same issues and
11 requirements. Our company is about sixty years old and
12 we've had a big influx of folks being hired in '68 and '69 and
13 that means folks that have given us forty to forty-five years of
14 service are going to retire. We had probably 900 people retire
15 over the course of the last three to five years with another
16 three to five hundred still getting ready to go, so in that sense
17 Danville has had a lot of money come from the Tobacco
18 Commission about \$3 million that they are doing a lot of work
19 with their machine shop and we've been working with DCC for
20 fifty years but our needs are so great that you're taking full
21 classes of machinists from Danville as well as full classes from
22 other community colleges trying to meet our needs. We go
23 where the talent is available. We are bringing people who are
24 traveling an hour and a half a day every day to get to our
25 facilities, which is stupid in the sense that, believing that I'm

1 going to keep somebody and Goodyear is hiring big time and
2 looking for machinists and so they won't go back home but
3 you have to do what you have to do.

4 MR. THACKER: Maybe it's not
5 equipment specific but if you need a machinist, electrician,
6 mechanic or whatever it is and the task you have and
7 considering the skill sets available. I'll go anywhere I need to
8 and if you've got a program somewhere in Virginia that Allen
9 Bradley training for electrician that's got a whole lot of PLC
10 background, I'll go get it wherever it's at. I'm like Nat, I'm
11 going to go anywhere I can get to get the best candidate and
12 bring them in the plant so that we can be successful and
13 make the shareholders happy and all those things and
14 whatever you got to do to be in business. We'll go where we
15 got to go to get the people.

16 MS. MCCORD: As far as where the
17 Centers should be located, there's a couple of things and I
18 know all the points have been very, very good and make a lot
19 of sense. What we utilize will be important as we go forward.
20 You said there were \$40 million available in the next two years
21 for potential funding and that's certainly a lot of money and
22 that money is not going to last forever especially if you're
23 putting it into these programs like you say. How are you going
24 to make more use of those resources? How are you going to
25 make sure that whatever program you bring in is industry

1 led? A partnership, definitely. Without the education, simply
2 saying here's what I need. You need this equipment and these
3 instructors. What we've found is that the best instructors are
4 those that are retired and have a large number of years
5 experience, offer a variety of situations and they're able to
6 teach and have all this experience and on top of that they
7 have a real passion for it. The ability for community colleges
8 and other colleges and resources in the area to be flexible and
9 adaptable because, when you look up at the skills and when
10 you look at how things change, we've got employees that need
11 training for certain things and you've got numerous
12 opportunities in current welding and then you have more
13 advanced welding certificates that you have to go outside your
14 region to pull the employees out. So there's a whole realm of
15 opportunity being able to listen and respond quickly. I think
16 that's really important. When you look at the geographic
17 areas, what are your needs and how you position these
18 Centers that can fulfill most of those needs.

19 MS. RHINEHART: I agree with you
20 because I think if you look at the goal, that you be successful,
21 financially sustainable. Because I think you have to learn
22 who your partners are going to be and who your funders are
23 going to be and we don't know until you get into it but you
24 have to have the support at whatever community this ends up
25 in that's going to make it sustainable and successful. When

1 you consider infrastructure things like broadband and that
2 may sound silly but depending on where it goes.

3 MS. MCCORD: The marketing
4 committee, it sounds like they identified groups of students
5 that we can never forget that's about students because they're
6 the ones that we want to have employed and bring jobs to the
7 Tobacco Commission. So how do you make it easy for the
8 students to get there whether they're 18 or 47, it doesn't
9 matter but when you consider the people you have to really
10 make this attractive.

11 MR. NOYES: Some of the things that
12 would make it easy for, what would that be?

13 MS. MCCORD: We have found with other
14 partnerships is that scholarships help, even two hundred to
15 five hundred dollars is oftentimes a good figure so the student
16 can be successful, help them get to school and back. That
17 little bit of money can really make a difference. We've also
18 found that making sure that when classes are offered
19 considering their current work schedule. Many of those
20 students are already working one or two jobs and they're going
21 back to school so they can get a better job. Make sure the
22 Centers welcome that there are people that can help tie into
23 other financial resources that are available and that's one of
24 the things with the community college, you're getting financial
25 aid and there's people there that can help find out if you're

1 eligible. With this grant or this scholarship and this funding's
2 in place. When you look at it, education is really important for
3 them.

4 MR. NOYES: There's a good bit of
5 discussion in the marketing committee around that. This
6 year, Tim, we're expecting to provide to each of the eight
7 community colleges up to \$420,000 for financial aid. What we
8 talked about is whether or not the Commission should say to
9 these grantees some portion of this money must be, there's
10 already a requirement that the funds go for STEM-H and
11 that's being consistent with the state-wide effort on STEM-H.
12 What we have not done is said not less than 25% of the
13 resources provided to the community colleges are to be used
14 for welding, machinists and machine mechanics and we
15 haven't taken that step yet. I think that the thinking of the
16 marketing panel was let's see what the community colleges do
17 for a period of time and if they're not Commission resources in
18 support of this effort and they're investing them in something
19 else, there is time to do that. It's unlikely given the budget
20 constraints that the Commission operates under that we'll be
21 adding more money to the community colleges beyond the
22 \$420,000. A new \$100,000 just for this would take that
23 \$100,000 and the existing 420. That doesn't speak to other
24 training providers that may need resources to do it. We get
25 into whether or not that should be eligible. We don't want to

1 replace existing programs. We want to supplement the
2 existing program.

3 MR. MOORE: Maybe you could explain
4 the difference new centers from the community college.

5 MR. NOYES: The community colleges
6 typically don't offer all three programs in one location and the
7 credentials provided is not common across all community
8 colleges. There's different places and the equipment is
9 different. Some have more modern equipment, others have
10 very antiquated equipment, which won't work for B&W or
11 Goodyear. People trained on 1960s equipment but he's using
12 that now, maybe somebody's using it but no one knows.

13 MR. MOORE: Is it harder to fix what we
14 have than to start over? Let me tell you my concerns. I like
15 the idea of these Centers but the concern as the employer if
16 we have three in this region, I know from my experience
17 people don't like to drive more than an hour. When you add
18 the job time they're doing and the drive time, the number of
19 students will drop off quickly. They just don't like to drive
20 over an hour. So that part concerns me.

21 MR. NOYES: Is it more efficient to fix
22 what we have rather than reinvent the wheel is what you're
23 saying?

24 MR. MOORE: Exactly.

25 MR. NOYES: Two responses to that. Our

1 target is 75 people at each of these three centers. It is not to
2 have an advanced manufacturing that is ubiquitous across
3 the entire footprint. It was never intended and not put that
4 way. What I heard from a community college president, we
5 don't need Centers of Excellence, we already have Centers of
6 Excellence, we're going to put all this stuff at existing
7 campuses at community colleges so that everyone has access.
8 I said no, that's not what the Boston Consulting Group report
9 said. Our target is 75 aspirationally it sounds like we need
10 that up. What we need to do with these funds is to be able to
11 guarantee to industry that we can produce 225 people trained
12 in three disciplines with flexibility within the disciplines to
13 meet the existing industry needs on an annual basis. That
14 way we at least get in the game in terms of recruiting. It's not
15 designed as ubiquitous. We don't have to have one thing
16 operational in Amelia County and one thing in Tazewell
17 County. There's 41 jurisdictions. The hour driving time
18 distance is meaningful but these are located property if we can
19 get 75 people within an hours drive of each of these three
20 facilities. It's not designed that way.

21 MR. MOORE: I'm not arguing against the
22 Centers.

23 MR. NOYES: The community colleges are
24 arguing against the Centers of Excellence, we'll take care of it.

25 MR. MOORE: I haven't been a

1 community college fan that's why I chose to do the Virginia
2 Technical Institute since John Capps took over in Lynchburg,
3 we've partnered on some things and I feel better about the
4 community colleges.

5 MR. NOYES: The second thing I wanted
6 to mention, it's not designed to be ubiquitous and please keep
7 that in mind. There's going to be three Centers of Excellence
8 for all three disciplines. There can be satellite operations and
9 those can be customized however it is to be, the other thing is
10 that and this is something we haven't talked about, I think we
11 probably ought to talk about in terms of having an actual
12 policy recommendation to the Education Committee. It's very
13 explicit in the Boston Consulting Group report that
14 community colleges should provide training at these Centers
15 of Excellence. There's nothing that precludes the community
16 colleges from doing it at these three locations. The
17 expectation is that they will do it. One of the things that the
18 Commission has valued before I came and during my time
19 with the Commission has been collaboration among partners.
20 We want to say a priority in identifying these locations in
21 addition to geographic distribution within the population
22 densities, efficient use of resources, building on existing
23 programs and having this be industry led is absolutely right
24 and absolutely correct. There must be existing collaboration
25 of training providers. If any applicant is going to be a stand

1 alone applicant, John Capps is not going to come from Central
2 Virginia Community College and say I'm going to do it without
3 partner, just me. The Commission values this or should we
4 say there needs to be eligible applicants should have
5 relationship with institutions as well as community colleges,
6 priorities should go where there's existing dual enrollment
7 environment. You get more quickly to those eighth through
8 twelfth graders.

9 MS. MCCORD: I would caution you not
10 to get too prescriptive in terms of, because it's different for
11 every region within the Tobacco Commission area. Look at
12 your existing employees and employers, you've got Goodyear,
13 Babcock & Wilcox, Eastman, all three reputable names, really
14 good employers with benefits and let me use Eastman as an
15 example. We have 500 people in Henry County. We have
16 worked with Senator Wampler, New College and Patrick
17 Henry. They've been phenomenal with their openness to
18 listen to us and let them tell us what our workforce needs are.
19 Right now we are probably the largest independent
20 manufacturing plant. We do not have a program in terms of
21 training folks. A performance agreement, it's just one
22 continuing process and all the things that go into that. That's
23 a need we have. I don't know exactly what Babcock or
24 Goodyear has but our current needs and what it looks like in
25 the county. There's some good opportunities there to make a

1 difference. In looking at existing industries and potential to
2 group, part of the focus is on economic development and to
3 maintain and grow existing businesses. So how do we help
4 current employees in the state get there?

5 DR. CAPPES: I would like to add a
6 suggestion considering the criteria about the original question,
7 which is what you are talking about CeeGee. How do we
8 leverage these resources to meet the needs of existing
9 businesses in the Tobacco Region and trying to attract new
10 businesses in the area for such things as automotive, for that
11 reason another of the element that relates to infrastructure
12 and leads to robust especially transportation, which is one of
13 the elements we always need to consider.

14 MR. NOYES: What does that mean?

15 DR. CAPPES: Highway accessibility and I
16 think that goes hand in hand with population density.

17 MR. NOYES: When you talk about
18 recruiting trips, the one thing we hear is that we don't have an
19 airport within the Tobacco Commission footprint so they can
20 go non-stop any place. The Commission is not going to
21 sponsor an airport for this. That's not holding us back and
22 that's not going to change. Eastman is going to have specific
23 needs whether it's in Martinsville or whether it's in any of your
24 plants and the Commission has been supportive for requests
25 to meet specific company needs. Same thing with Goodyear.

1 We've done it with B&W with the M-power reactor that was a
2 very specific project. If those needs are not in the three
3 disciplines that the Boston Consulting Group report said,
4 those are not the ones that we would use for this program to
5 focus on. We use the existing educational programs to focus
6 on pipefitters, that's not a welding thing and that's not within
7 the framework because we are looking to use this program to
8 recruit specific types of advanced manufacturing companies.
9 They're not mutually exclusive; we have programs that
10 support both but the focus of this is the three disciplines in
11 the report. If what Eastman needs in Martinsville isn't
12 machinists, machine mechanics, then you go to the other
13 education component and that's the competitive pot and you
14 say we're short 200 people in the next five years, exactly what
15 we just heard from Warren. That's a real problem and a real
16 threat to their business operation.

17 MR. PFOHL: That's in the grant
18 proposals.

19 MR. THACKER: I'd have to shut the
20 plant down because it can't be maintained. That's why I'm
21 recruiting and I've got people coming in, pipefitters from
22 Oregon and Pennsylvania because I can't supply them.

23 MR. NOYES: If you want to work through
24 Danville Community College and they can submit an
25 application during the competitive round and it says we need

1 \$800,000 for this equipment to pay for this to be able to
2 produce 50 pipefitters a year for Goodyear and as Tim has
3 already said that's going to rise and it always has. That's not
4 likely to happen with this advanced manufacturing program
5 because it's targeted differently.

6 MR. MARSHALL: When you consider the
7 applicant flow are you saying 75 for the first year but for those
8 of us that have been doing this for quite a while and we've got
9 to middle schools and Dale and his group and come to his
10 facility and look at the middle schools, what I'm saying is
11 we've been doing all kind of things to convince kids to go down
12 this path and get into the STEM curriculum and it's hard to
13 do. Seventy-five sometimes can sound pretty high as a goal if
14 we don't have all these pieces in place. The relationships that
15 are already in place with the community colleges, they've
16 increased over the course of the last five years. Fifteen
17 percent of the operation because of all the other things going
18 on. I'm just wondering whether really we've thought about
19 that number, 75 means you've probably got to put 200 in the
20 pipeline to get that number of people.

21 MR. NOYES: Or more.

22 MR. MARSHALL: Do we have that, are
23 we going to address that? I've been with this workforce
24 business for approximately fifteen years. We decided we were
25 going to do this type of thing and try to touch the heart and

1 after a couple of three years of dealing with it, it's hard to
2 recruit and it's scary sometimes the things that are going on.
3 One of the things I heard you say was opportunities for
4 interns and apprenticeships and then going to middle schools
5 and high schools and trying to get students interested in these
6 careers. Those are things that are absolute and are
7 necessary.

8 MR. NOYES: It's career counseling,
9 that's one of the things we're going to be looking at to expand.
10 And it's there and it's a statewide program. It's different in
11 Danville than it is in Lynchburg and different in Abingdon.
12 It's not being used consistently and effectively and supported
13 with resources. One of your jobs is to say education
14 committee, we're recommending to you to put aside \$400,000
15 a year to supplement and augment the existing BCCS group
16 counselor program so there will be a person in every middle
17 and high school on a monthly basis for every school year. You
18 all are going to make recommendations as to how this money
19 gets divvied up. You're also going to be making a
20 recommendation on, we're going to be supporting these three
21 Centers of Excellence. I think the Boston Consulting Group
22 and I think the number was 1.2 or \$3 million a year per
23 annum to support the three Centers, 1.3 each. That would
24 imply that \$650,000 the recommendation from this group
25 would be on the order of \$650,000 times three and then you

1 leave for three years and then revisit it. Those are the types of
2 actionable recommendations that at some point we need to
3 come up with. The Virginia Manufacturers Association, the
4 Dream It, Do It program, which is an outreach program is an
5 excellent program. It's being used right now only in one area,
6 one community college in southside. There may be two
7 community colleges in southside. It's not in southwest
8 Virginia at all.

9 UNIDENTIFIED: We're in the process of
10 doing it right now.

11 MR. NOYES: We need to devote
12 resources to enable, Katherine DeRosear was telling me at the
13 marketing panel. She said it's a manpower issue and we don't
14 have the money to get it out fast enough. This thing looks to
15 be up and running producing in three years so resources need
16 to go for that purpose. That's the level of recommendations
17 that we need to get to at some point. I think in the letter that
18 Delegate Kilgore sent out to everyone we expect to make the
19 first round of awards in January. That means an application
20 period would be this fall, decisions in January and we need to
21 be operating in at least one, two or maybe even all three
22 Centers of Excellence for the academic year that begins this
23 time a year from now. We need to get the recommendations in
24 and be specific as to funds.

25 DR. CAPP: The point about

1 collaboration, I think that's critical because the need to be
2 collaborative to be in place should be one of the criteria.

3 MR. NOYES: In place, not aspirational,
4 not contemplated, very specific.

5 MR. THACKER: To say here's what we
6 need.

7 MR. NOYES: With trainers or with
8 business or with both, now we're making sense.

9 DR. CAPPS: And the second part, I think
10 it would be appropriate for some additional funding for career
11 coaches in the community colleges.

12 MR. NOYES: I think that's coming. It's
13 your job to find the money and it's another subcommittee's job
14 to, this whole document and at some point all three of these
15 have got to get together and come up with team
16 recommendations or however many recommendations you all
17 come up with to start off. Existing industries and training.

18 MR. PFOHL: There was some
19 conversation with Dr. Adams, she may want to tag onto this in
20 marketing the other day about career coaches and the
21 discussion about that career coach's academy that's held
22 every year. Bringing some of these career coaches in the
23 Tobacco Region and the additional training modules to
24 discuss advanced manufacturing careers.

25 MR. NOYES: This has some moving

1 parts, we've got an infrastructure and do facilities and build a
2 pipeline and we've got to do all these things simultaneously.
3 Let me get back to this 75 now.

4 Seventy-five is the number that the Boston
5 Consulting Group tossed out. It would be better if it was a
6 hundred. We have to build a pipeline. The way I look at it is
7 75 is necessary but not really sufficient to meet the needs of
8 our industry. The Commission doesn't want to do something
9 that only yields 40 or say 12 and we don't want to support
10 that because it's never going to be met, either the existing
11 industries needs or to attract new industries. So 75 is the
12 number. I remember asking the Boston Consulting Group
13 how did you come up with such and such a date by which you
14 had to have 990 people trained as machine operators, it's just
15 a date, you have to have a date. There's nothing magic about
16 75 and there's nothing magic about the date. It is magic when
17 you recruit industry is to say we have in place programs that
18 will produce X number of people with certain skill sets and we
19 can do it on an annual and sustained basis. And that's what
20 will get it done and that's why you won't have to shut down
21 your plant.

22 MR. MOORE: You'd want several times
23 more, three or four times more than 75. We're in our third
24 year and we have 130.

25 MR. NOYES: You've done a remarkably

1 good job.

2 MR. MOORE: When you talk about the
3 pipeline, it's very easy to say we need this and the curriculum,
4 a national standard and the instructional education research
5 international curriculum and the answer to anyone is that it's
6 the best curriculum in the world.

7 MR. NOYES: It's not one of the three that
8 we're looking at with this program. In each of the three
9 panels, one of the themes I hear is that we need so much and
10 it's all different. We have nothing, let me tell you, \$40 million
11 will go away very quickly and not get at least 75 in each of
12 three Centers of Excellence. \$40 million is not a lot of the
13 money and the Commission does not have unlimited
14 resources. We're not going to stop with the financial aid
15 program, that would be the last thing before the lights go out,
16 the financial aid program because that is an enabler. I think
17 we do need to devote financial aid resources to this advanced
18 manufacturing. We should probably begin by doing that
19 within the existing budgets we provide. And then if we can get
20 past the 75, we need to wrap it up, that will be a decision to
21 be made two years from now.

22 All right, let's take a ten minute break.

23

24 NOTE: A TEN MINUTE BREAK IS HAD; THE DISCUSSION
25 CONTINUES, VIS:

1
2 MR. NOYES: All right, financial
3 sustainability. We have a number of things like site selection
4 criteria, geographic distribution, population density,
5 transportation access, uses of resources, building on existing
6 programs that's feasible. Existing industry and existing
7 training collaboration criteria that can help to be applied to
8 the Centers of Excellence. Now, we get to the real tough nut,
9 financial sustainability. I would argue that the demonstrated
10 ability to commit resources over a long period of time and not
11 just match on the 50/50 basis but we have to do that and
12 then have folks not be able to continue to produce the 75 on
13 an annual basis. What do we want to say about financial
14 sustainability other than it's a good thing? What is the criteria
15 that would tell us a particular applicant has the capacity to
16 sustain the program in welding, machinists and machine
17 mechanics for the long term? Should that be a criteria
18 excludes or allows someone to be an applicant for Centers of
19 Excellence?

20 MR. PFOHL: I think governance goes
21 hand in glove with that.

22 DR. CAPPS: I think that's crucial.

23 MR. NOYES: It's crucial and desirable
24 but what should we look for in the specifics, what should we
25 look for?

1 DR. CAPPS: Well, there's strength in
2 numbers and we have to use a collaborative effort.

3 MR. NOYES: Relates to the collaborative
4 relationship for an applicant. We have two years of Tobacco
5 Commission funding for and this doesn't preclude funding in
6 out years. Two years is the plan at this point. What do we
7 look for in an application that says this entity or this eligible
8 applicant is going to be able to not just match the current
9 year's grant but be able to continue operations forever. I'll
10 look to Dale who's operating a stand alone and he's started
11 this by himself.

12 MR. MOORE: There is somewhat
13 financial statements, when you consider the curriculum and
14 we do have some outside support people but for the most part
15 it stands on its own. It's a little overhead.

16 MR. NOYES: You operated based on
17 some type of tuition?

18 MR. MOORE: Yes, we run it like a
19 business, we ask to sustain itself.

20 MR. NOYES: Should there be a business
21 plan for the companies in application that actually lays out
22 what the business case or the sustainability, business
23 sustainability. We've talked about community colleges and
24 you're dependent on what the legislature does every year. You
25 literally can't predict it and this last year showed that. If you

1 were a consortium of community colleges or were the
2 successful applicant, you're at the mercy of actors that are not
3 very much tied to southside or southwest Virginia and that
4 ain't a good business plan. When the votes are in northern
5 Virginia and Tidewater, you can't make a commitment for the
6 out year but if there's a bunch of you, that would be better
7 than only one.

8 DR. CAPPS: One could not sustain it.

9 MR. NOYES: How about existing
10 industry components, is that something we should look to?

11 MR. MARSHALL: One thing about
12 industry, we are constantly being asked for support and
13 money. In today's environment, you don't get a cent unless
14 that cent's from someone else. That's just the way it is and
15 these guys are asked for a \$1 and that's not a problem but
16 these things that may come your way have to be stolen from
17 somewhere else and we have to consider things like that and
18 I'm very hesitant to take it away from these people somewhere
19 else. So I think the collaborative aspect is going to be very
20 important. If I give them something, I'm sure this will look
21 better but this agreement you have, I know we were talking in
22 the hallway and when Dale got started with his program, I
23 really scratched my head and I wasn't sure what the need was
24 but when they became a collaborative unit with a couple of
25 projects with the community college, even though some of the

1 welders in that fast track program they had would not benefit
2 us, the initial level of what we needed here but we were sitting
3 at the table because we saw that it was a collaborative effort to
4 do the right thing and eventually those people will come to
5 work for us in three to five or seven years and get the
6 experience and have that first step and work in these
7 programs. So I think that aspect gives us a good start. We're
8 going to be a little hesitant to throw dollars at you until we
9 understand that it makes good sense. It makes good sense to
10 work with the community colleges now and step up to the
11 plate and in some cases we've been very hesitant. We have
12 used Dale for services because no person because there's a
13 new person on the block and how are they providing
14 something that's better than the community colleges.

15 MR. NOYES: Let me go through an
16 illustration. I feel that since this report is produced and the
17 Commission provided \$10 million for Town Center Virginia is
18 going to be a Center of Excellence and they're going to apply,
19 say maybe a town of 2300 people in southern Virginia, mayors
20 call me and says we've got to have a Center of Excellence,
21 we've got to have it right here so pencil us in. Then I say well,
22 certainly there are assets there that have been supported by
23 the Commission in the past and everything has really looked
24 and if we take \$40 million and we're looking about \$13 million
25 of which the Commission is going to pay half, how are you

1 fixed for six and a half million dollars in the next two years.
2 After that, that pretty much ends the conversation because
3 they don't know where they get six and a half million dollars.
4 It sounds good to get part of the ten million in each of the two
5 years but both of the mayors were absolutely we've got to have
6 this for our citizens and this sort of thing like that and no
7 capacity, zero capacity to provide matching funds and even
8 less capacity to operate a facility on a sustainable basis for
9 over twenty years.

10 What is it we need to recommend to the education
11 committee that in terms of sustainability and we just can't say
12 multiple collaborations. There's got to be cash flow; there has
13 to be cash flow.

14 MS. RHINEHART: Some of those
15 communities that don't have any financial whereabouts are
16 the ones that need it the most relatively speaking.

17 MR. NOYES: I'm not arguing that they
18 don't need or they don't deserve to have it.

19 MS. RHINEHART: So to your point of
20 strong support and what the commitment will be to the best of
21 their ability. I think like anyone they're going to have to show
22 where your supports are whether they're in-kind or actual
23 cash, general community support and go get it kind of stuff
24 and I think all of those would show a commitment.

25 MR. NOYES: That's different from their

1 normal application. We haven't been requiring in education a
2 business plan.

3 MS. RHINEHART: I think we should.

4 MR. NOYES: A business plan, that's
5 going to be a requirement. Is that the consensus of this
6 group? How you're going to sustain and how you're going to
7 match and sustain this over a long period of time.

8 MR. MOORE: I think that should be a
9 requirement, so yes.

10 MR. MARSHALL: Who are you
11 collaborating?

12 MR. NOYES: Who are the partners?

13 MS. MCCORD: When you look at the
14 steering committee over the center of educational
15 partnerships, you've got government, you've got industry,
16 you've got education, making sure that three are working. If
17 those three are working together well, that's eighty percent
18 and I think that's key.

19 MR. NOYES: That's a very good
20 suggestion, let's see if we agree that governance of these
21 Centers, we'll have to have industry representation and
22 representation of training providers.

23 MS. RHINEHART: Recipients, K12, eight
24 through twelve, not just, but below that, legislative as well.

25 MR. THACKER: If you don't go out and

1 recruit them, you're not going to be successful with sufficient
2 flow of people to teach 75.

3 MR. NOYES: The governance may not be
4 the formal board of the organization but what is being
5 supported by the Tobacco Commission, you're going to have to
6 have business, K-12 as well as other training providers,
7 government.

8 MS. RHINEHART: Do you want
9 Commission representation?

10 MR. NOYES: You're asking me? I don't
11 know that we do. Is it important? I don't see people jumping
12 up and down and saying what we need is some Tobacco
13 Commissioners, they're everywhere anyway.

14 MS. MCCORD: May times industry's
15 involved and have a voice at the table, educational and
16 training variety and what the focus is of that particular, and
17 the governance, I'm thinking more local players.

18 MR. NOYES: Local is better?

19 MS. MCCORD: Focusing on what's
20 important to our problems.

21 MR. NOYES: That's a lot better than
22 having a bunch of legislators, sometimes they don't know
23 what's going on.

24 MS. MCCORD: I think local –

25 DR. CAPPS: I would agree with that and

1 the only amendment I would make about local governance,
2 citizens of a particular locality.

3 MS. RHINEHART: What about the EDA
4 people, just to keep them in the loop.

5 MR. NOYES: Now, we've got a six or
6 seven member oversight entity here. It reminds me of
7 something somebody told me a long time ago, so what all we
8 did is send a committee. I can see the importance of having
9 and I absolutely agree that local is good. There are regional
10 folks but I'm not sure who they would be.

11 MR. MARSHALL: A group of folks who
12 got together as representatives of each of the city councils and
13 local governing councils.

14 MR. PFOHL: Southern Regional Council.

15 MR. NOYES: They don't have any money.

16 MR. PFOHL: There isn't a shortage of
17 potential candidates.

18 MR. NOYES: The regional entities, we
19 could cure that problem. That would lead to locals, which you
20 think is better.

21 MR. MARSHALL: That may well be a
22 local mayor from within the region of our service area.

23 MR. NOYES: What about a business
24 plan?

25 MR. MARSHALL: But are you going to,

1 we haven't really talked about the administration of going
2 through the process of how you register that kid and how the
3 classes will be registered for and that could be a problem.

4 MR. NOYES: Why wouldn't a provider or
5 the training provider have that responsibility and have that
6 exclusively? I don't mean to be telling community colleges
7 how to do that or Dale or other folks because that's what
8 they're doing. Senator Wampler's doing it already. The
9 answer to your question is no, they haven't given that any
10 thought and I would rely on people that are doing that that
11 have boots on the ground already. Then we'll see how it is
12 they need us to help with the financing. You have to
13 understand the Tobacco Commission is a grant making
14 organization and that's all we do. We don't manage property;
15 we don't manage processes or anything else. We take
16 applications, subcommittees make recommendations to the
17 full board and the board acts on those recommendations and
18 checks go out the door. That's what it's designed to do and
19 does it I guess a little bit efficiently; it does a lot anyway. I
20 would rely on the training provider. You've got these folks at
21 these Centers of Excellence and there's collaborations and
22 there's going to be community colleges and other training
23 providers that will be directly and structurally affiliated with
24 the Center of Excellence. The Center of Excellence is like a
25 holding company for these training providers. That's kind of

1 how I see it.

2 MR. WAMPLER: Open access.

3 MR. MARSHALL: The potential of a
4 disconnect between the academy of excellence –

5 MR. NOYES: The grand pooh-bah
6 oversight at CCAM is going to make sure that they're talking
7 to each with the CCAM business community. So that's a
8 structural thing that and I don't think the CCAM board has
9 adopted this business of having representatives from each of
10 the three Centers of Excellence, assured that they will. There
11 won't be any way to avoid each other. The training providers
12 that is completely, they're able to do the screening and award
13 scholarships and things like that.

14 MR. MARSHALL: Maybe there's one
15 thing you don't want to recreate the wheel.

16 MR. NOYES: Business plan, now change
17 this locals better to accept regional. We don't want to saddle
18 these Centers of Excellence with new administrative duties
19 but need to make sure that everybody is aligned and talking to
20 each other to make sure that these will be industry-run or
21 industry-led rather than covered with lead. Do we agree with
22 that?

23 DR. CAPPS: Other than this financial
24 stability and it's something we talked about earlier because we
25 said we wanted to take advantage of already existing

1 infrastructure and part of the business plan might be
2 articulation of the already existing infrastructure that handles
3 the administrative duties or other operations within the
4 Centers that would not require significant new investment.

5 MR. NOYES: In the business plan, that's
6 a very good suggestion. All right, financial sustainability is
7 going to be handled at the point of application in the form of a
8 business plan including the things that we talked about. Are
9 we comfortable with that? Good.

10 MS. MCCORD: In terms of the three
11 Centers, you've got twenty million dollars this year, would that
12 be divided equally among?

13 MR. NOYES: It's not been decided.
14 That's the reason we're here and we have a resources
15 committee and we need to weigh in.

16 MS. MCCORD: So the way that it bid
17 this facility might potentially allow them to have more money
18 to utilize effectively for a longer term. If they're more efficient
19 in terms of use or possibility of extending possibly an
20 additional building or that type of thing as opposed to building
21 a brand new –

22 MR. NOYES: There is no community
23 college president, and we have John here, that wouldn't love
24 to have a brand new facility. There's eight of them that serve
25 the footprint and there's not enough money to do eight

1 buildings and the Commission has always said what we do for
2 one, we must do for all and so now we're looking at existing
3 facilities and existing programs. There may be some plan to
4 expand them at some point in time but that's fine but brand
5 new facilities would require three or four years to design and
6 build and stuff like that and that's not what we're about. I
7 don't think that's what we want to do. For example, just
8 outside of Abingdon, there is the Morgan McClure facility,
9 which Tim and I have toured. It's available and the interstate
10 is there and eighteen or maybe it's ninety acres now available
11 by the interstate, eighteen acres and I think it's 90,000 square
12 feet and has all the HVAC and stuff like that. If there was an
13 eligible applicant that wished to acquire that, maybe that
14 would take care, make more of this years \$20 million than
15 another project, another Center of Excellence. I don't think
16 we need to say unless you want to that we're going to divide
17 this up routinely, let's see what folks come up with. If you feel
18 differently, this is your meeting.

19 MR. MARSHALL: Are these Centers of
20 Excellence going out for bid?

21 MR. NOYES: There's an open
22 application, folks meet these criteria and they have a business
23 plan and then the recommendations we have will focus on
24 geographic distribution, transportation, access and does this
25 application demonstrate resources are being used more

1 efficiently than some others? Does this particular applicant or
2 group of applicants, regional entity represents more than one
3 jurisdiction? We believe what they say tells us this is long
4 term beyond Tobacco Commission standing it up or is the
5 Tobacco Commission going to be involved in this or does it
6 include these things that we talked about, it all depends.

7 If you look on page 42 at the bottom, this committee
8 will oversee the construction, facility and equipment
9 installation or acquisition of the installation, supporting the
10 distance learning. Do you want to be doing this two years
11 from now? That's what the Boston Consulting Group
12 suggested we should be doing. Good idea or not? Do you
13 want to lay this off on somebody else?

14 MS. RHINEHART: That other authority
15 would be responsible for --- who would be?

16 MR. NOYES: The Education Committee
17 of the Tobacco Commission, they're going to make the final
18 decision. We don't have to decide that part today. One of the
19 three areas that the Boston Consulting Group asked us to talk
20 about, we need to be thinking about before we meet again
21 what's the longer term role for this group? They suggested
22 two year timeframe. If that's what you want to do, that's what
23 you're going to say to the Education Committee. This
24 subcommittee is going to be constituted for 24 months to do
25 this and that's fine if that's what you want to do.

1 DR. CAPPS: Not that I'm not having a
2 good time –

3 MR. NOYES: I think Dale said it's four
4 minutes to noon and it's four minutes to noon and I promised
5 we'd quit at noon.

6 DR. CAPPS: One applicant for these
7 Centers identified that responsibility totally belongs to
8 whoever the recipients rather than a committee like this. At
9 least one, at least one step removed from the facility and the
10 operational of that facility.

11 MR. MOORE: I would have some
12 concerns about the committee and I'm in the instruction
13 business every day and a committee that's not in the
14 instruction business of overseeing a development like that.

15 MR. NOYES: I think you've got these
16 community colleges and this CCAM board set committee is
17 already constituted if they think you're going off the rails at
18 one or another of these Centers of Excellence, they'll spot it
19 but they know what they're looking for. So, a business plan is
20 going to have to show the nuts and bolts of not just matching
21 \$13 million, some may be fifteen and another may be ten.

22 Well, we've touched on each of the three things.

23 DR. FOWLKES: Earlier there was a
24 recommendation about dual enrollment. I feel strongly that
25 we need interdiction with middle school students, not dual

1 enrollment. I'd like to see our public schools and I know you
2 need support to do this, have a career and technical center up
3 and running in summertime full time particularly for eighth
4 and ninth graders, rising ninth graders. The reason for that is
5 that so many of these kids before they get to technical school,
6 they drop out of school. Many of those students will need
7 some other curriculum other than a classroom based dual
8 enrollment. I think this is really serious and hands on
9 education and I'd like to see us put some resources in some
10 courses or resources into doing these things. That might go
11 better into all of our collaboration Virginia and what we're
12 doing with the higher level of education and with the hands on
13 education, career and technical types of education. I'm not in
14 favor of dual enrollment at the eighth grade. My other
15 concern and this comes from a lot of the students, there's a lot
16 of students now that are finishing high school with sixty plus
17 hours of dual enrollment. Their attitude is we've already got
18 our community college, we're not doing anything else. We're
19 eighteen and we're ready for the world and the workforce. I
20 think our intention with dual enrollment is to get people over
21 into the four years of education but I think some of them are
22 not seeing it that way and that they don't need to go to school
23 any more. They've been there. I hate to see us continue to
24 offer so much at a secondary level. Although our intention is
25 good to get them into a four year program, that they're seeing

1 that differently. So that's why I caution about doing this dual
2 enrollment. I hate to see it go down to the eighth grade level,
3 concentration at the eighth and ninth grade.

4 MR. NOYES: The recommendations from
5 the marketing committee and it was specific to vocational and
6 technical education. It was not a general use of Tobacco
7 Commission funds for dual enrollment.

8 The summer programs that are in place and I think
9 it might be a pretty good idea. The Commission has always
10 said that if we do something for one we do it for everyone.
11 How do we limit this to, what filter might we use to get us to
12 the 75 number or 100 number or whatever it is. Shall we say
13 we're going to offer this for on a pilot basis for school districts
14 where the Centers of Excellence are located?

15 DR. FOWLKES: You look at that age
16 category, the eighth grade, they're too young to go work, they
17 can't a work permit and they're too old to be left at home for
18 child providers to they're the ones that are wandering in the
19 wilderness and that kind of stuff. If we had a robust program
20 especially in the summertime.

21 MR. NOYES: Where are these career and
22 technical?

23 DR. FOWLKES: Right now in Washington
24 County that serves all four of the high schools in Abingdon.
25 Most counties have, especially our size, have a center in their

1 county and –

2 MR. NOYES: What are you going to do
3 for my friend Tim so he doesn't get 41 applications for
4 summer career technical programs?

5 MR. MARSHALL: One thing we found in
6 our area with our workforce investment, we said something
7 needs to happen so we found out what is out there and we
8 had adopted it already, just about 500, churches and schools
9 and then when that really became an issue, and you can't
10 stop because you just have 500. They said we needed a
11 robust engagement program and stop trying to get to
12 everybody.

13 MR. NOYES: Well, we've got Tim here.

14 MS. MCCORD: The outreach down K-12
15 part of the business plan and there's various locations. In
16 summer, and one of the things we found that was successful –

17 MR. NOYES: The Virginia Manufacturers
18 Association actually operates those camps but they don't do it
19 times twelve within the footprint.

20 MS. MCCORD: They're located
21 strategically within the footprint, so a link with the existing
22 summer program and that's in the summer. If they allow you
23 to come in and have –

24 MR. NOYES: I think the marketing
25 committee would be very, very supportive of doing exactly that

1 and using Dream It, Do It model but that's a little different
2 than what Rachel is saying as I understand it. You're talking
3 about supporting existing school districts.

4 DR. FOWLKES: Ones that want to do
5 something significantly different because most of the folks and
6 most of the technical folks or I feel this is one way to get rising
7 ninth graders and eighth graders into some kind of program
8 that really is productive before that rule out not going further
9 and they drop out.

10 MR. NOYES: Maybe a thing to do is to
11 have Virginia Manufacturers Association as they're refining
12 this they could say we want this and we want your agreement
13 to do this advanced manufacturing program delivered at these
14 career and technical centers during the summer months and
15 that would accomplish both.

16 All right, I've taken enough of your time. Thank you
17 all for making this trip up here, we certainly appreciate it and
18 we've gotten some good directions and good discussion this
19 morning and I'll follow-up on this. Tim is the Interim
20 Executive Director and everybody knows Stacy runs the office
21 and I want to thank you all for coming.

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PROCEEDINGS CONCLUDED.

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CERTIFICATE OF THE COURT REPORTER

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I, Medford W. Howard, Registered Professional Reporter and Notary Public for the State of Virginia at Large, do hereby certify that I was the Court Reporter who took down and transcribed the proceedings of the **Virginia Tobacco Indemnification and Community Revitalization Commission, Resources Meeting**, when held on Friday, August 16th, 2013, at 10:00 o'clock a.m., at the Southwest Virginia Higher Education Center, Abingdon, Virginia.

I further certify this is a true and accurate transcript, to the best of my ability to hear and understand the proceedings.

Given under my hand this 20th day of August, 2013.

Medford W. Howard
Registered Professional Reporter
Notary Public for the State of Virginia at Large

MY COMMISSION EXPIRES: October 31, 2014.