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MINUTES

Virginia Tobacco Indemnification & Community Revitalization Commission

Education Committee

June 20, 2002

Hotel Roanoke & Conference Center

Members Present

Mr. Arthur
Mr. Fields
Delegate Johnson
Senator Puckett
Delegate Wright
Senator Ruff, Chairman

Senator Ruff opened the meeting. At this meeting the Committee will discuss the Literary Foundation, Scholarship programs and additional educational funding.

Mr. Currin called the roll.

Mr. Currin presented a draft of basic guidelines for the Education Committee and a possible application for the submission of education funding requests.

Senator Ruff suggested they start with the application.

Mr. Currin stated that this application form was derived from the basic economic development application form. Staff would like guidance from the Committee as to aspects they would like included. The guidelines are basic tenants the staff knew were important to the Commission.

Senator Ruff stated that the Community Colleges should provide a plan as to how they plan to use their \$400,000 to ensure accountability.

The Committee agreed.

Senator Ruff added that the proposed form should be used for the plans to be submitted by the Community Colleges.

The Committee agreed.

Senator Ruff continued that ground rules need to be developed for the projects to be funded beyond the \$400,000 for the Community Colleges.

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Mr. Currin stated that the staff's suggestions for these guidelines were meant to be expanded upon by the Committee during this meeting.

Senator Ruff commented that unless the guidelines defined the fund differently, these monies would be available for any entity proposing an educated related project.

Senator Puckett stated, from a Southwest standpoint, they need to not forget the tobacco farm families and communities. There needs to be a direct correlation between the projects being funded and the effect on the farm families and farming industry.

Senator Ruff inquired as to the Committee's feeling about private colleges.

Senator Puckett responded that he did not have any problem with funding private colleges if what they are proposing has an impact and a program that will stand on its own after the Commission assists in getting it off the ground.

Senator Ruff reiterated that it is the consensus of the Committee that the Commission not fund recurring costs for projects. However, due to the current budget situation, exceptions will be made for this year and when in necessary in the future.

The Committee was in agreement.

Senator Ruff addressed the timeframe for these applications.

Mr. Currin stated that the full Commission would be meeting again in October.

Senator Ruff asked if it would be possible for the Committee to make a report at that meeting.

Mr. Currin responded that it was possible and suggested that the Committee meet in September.

Members of the audience commented that they would be able to work with that time frame.

Senator Ruff suggested having the applications due during the last two weeks in August, the Committee meets in late September and report to the Commission in October.

It was agreed upon.

Senator Ruff addressed the Southside and Southwest scholarship programs. He asked **Senator Puckett, Delegate Johnson and Mr. Fields** if they were happy with the administration of the Southwest Scholarship the previous year or if they wanted to change it.

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Senator Puckett responded that the program had run well. He did state one difference this year, the students are required to come in to the Higher Education Center for a discussion session to help send them in the right direction in the future.

Senator Ruff asked if their program interferes with reimbursement for lost assets vs. economic development.

Delegate Johnson responded that these funds are not delivered directly to the grower or student but rather the school.

Mr. John Forbes was available via speakerphone to provide an update to the Committee on the Literary Foundation.

Senator Ruff prefaced the discussion by explaining that in October the Commission voted to provide the Literary Foundation with \$5 million, which was to be matched with \$10 million to create a total scholarship fund of \$15 million for certifiable programs. The current complication is that the next school year is quickly approaching and the Literary Foundation has not provided the Commission with the program application requirements. **Senator Ruff** asked **Mr. Forbes** for information on the program and how the students are going to make the applications for the scholarship funds.

Mr. Forbes responded that the scholarship applications are now available on-line. There are vocational, continuing education and technology certification scholarships. Additionally, packages are going out tomorrow to admissions officers and/or tuition assistance officers of the approved community colleges. The application for the financial assistance loans has not yet been completed. When it is done, **Mr. Forbes** intends to have a meeting with representatives of all the Community Colleges to review these applications. These applications will all be available on-line, from the Community Colleges and by writing into the Literary Foundation and having one sent to them.

Senator Ruff asked if the Foundation was publishing/publicizing how to contact and write to them to receive an application or if they have questions about the program.

Mr. Forbes responded that the Foundation has run four (4) half-page ads in Newspapers explaining this information. They will be doing a television spot, a television interview on the public broadcasting station, and have the web site.

Senator Ruff asked where they ran the ads.

Mr. Forbes responded that thus far the ad has run in the Danville Register and Bee and is scheduled to be run in other papers as well.

Senator Ruff commented that they live and operate with weekly papers, why wouldn't this information go out as a press release?

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Mr. Forbes responded that it is more cost efficient to publish this information as one package and they are still awaiting the loan information. They are waiting to put it out in one message.

Senator Ruff stated that the Foundation needs to communicate with those on the Commission and Committee, as well as the Community Colleges because they are all receiving questions about the program.

Delegate Johnson asked if the Danville R & B is the only paper in which an ad has been run.

Mr. Forbes responded so far that is the only paper.

Delegate Johnson commented that nobody in Hiders Gap reads the Danville paper. How are the folks in the Southwest going to know about this program?

Mr. Forbes replied that they will know about it through the ad run in papers throughout the region, there will be a television spot and the meeting of the Community College personnel to provide them with the information to give to the students. Also the information is on the website.

Senator Ruff suggested that they should reconsider how they are promoting this program. There are close to 50 weekly newspapers in Southside and Southwest Virginia that would run this information on the front page, free, if it were provided to them. Most people in the tobacco-growing region are either getting their news from North Carolina or Tennessee and are not watching the stations out of Roanoke and Richmond.

Mr. Forbes reiterated that they have already sent out a press release announcing \$300,000 and all these scholarship funds. This was sent out two (2) months ago and was specific about the details of the program. They would be happy to reissue that.

Senator Ruff stated that he had talked with **Mr. Forbes** about them having a publicity tour in late April, but that did not happen.

Delegate Wright commented that most students made applications for financial assistance months ago. He then asked why the program is just now being advertised.

Mr. Forbes responded that they have been slower than they would have liked to have been in developing the loan application process. It was their intent to get all the information out at one time so there would be a bigger message. Secondly, the Tobacco Commission made its final payment to the Foundation in February and since then they have made several announcements.

Mr. Fields commented that if they are going to put it out in four releases, it most likely will not get to folks out in the Southwest.

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Mr. Forbes indicated that he understood and continued by saying that he had suggested going to meet with organizations such as the Tobacco Growers Association. They understand that it is necessary to use a number of different mediums to get the word out.

Mr. Currin stated that he has a list of all the weekly papers in the region, and will provide that to the Foundation.

Ms. Martha Walker from Danville Community College state that the Community Colleges are more than willing to partner in the advertising of this particular program. Perhaps information on the program could be added to the advertisements for the colleges fall schedules.

Ms. Rosa Slavik of Virginia Highlands Community College added that a newsletter mailing is an effective tool as well.

Mr. Forbes responded that it sounded like a great idea.

Delegate Wright asked about the GED component of this program.

Mr. Forbes responded that they originally focused on a GED program in Southwest because the need was larger there but they plan to extend the efforts into Southside in the near future.

Ms. Rachel Fowlkes of the Southwest Virginia Higher Education Center asked for an explanation of the continuing education component of the program.

Mr. Forbes responded that they are making direct grants to programs, paying for people to take the test. Also, they have funded one hundred (100) scholarships through the public broadcasting stations. The Foundation has a continuing education scholarship for which the eligibility requirements are as follows: you must reside in Southwest or Southside Virginia, you have to have scored at least 275 on your GED examination, must be enrolled or accepted for admission at a Virginia higher education institution (Community College or 4-year College/University), must have a true financial need and have to have received your GED certificate after January 2001 in addition to letters of recommendation and a brief essay on what the achievement of your GED certificate has meant to you.

Mr. Forbes then suggested putting together a work group including members of the Foundation, members and staff of the Commission, and representatives from the Community Colleges.

Senator Ruff responded that it is a great idea but time is of the essence and the program needs to move forward immediately.

Mr. Forbes thanked the Committee and ended his call.

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Senator Ruff asked **Mr. Currin** to follow up with **Mr. Forbes** on this.

Ms. Slavic commented that at the June 2001 Commission meeting, when the funds were approved for this project, each of the Community Colleges represented at that meeting approached Secretary Forbes offering their assistance. They volunteered one person from each college to set up a working group and provided him with all their contact information but never heard from him.

Delegate Johnson suggested that they put in writing that the Foundation has agreed to have a work group and that the Community Colleges are willing to participate.

The Committee broke for lunch.

The meeting reconvened to discuss the Southside Scholarship Program.

Senator Ruff stated that it was his understanding from the Southside folks that they wanted this money to come back to the community for revitalization, whereas the Southwest scholarships were aimed more at helping the farm family. They discussed the professions of education and medicine as two that would give back to the community. **Mr. Barry Simmons** at Virginia Tech came to Clarksville to discuss this program and it was concluded that in the short amount of time available for this project, this year that it would be best to stick with education. He then asked if **Mr. Arthur** and **Delegate Wright** were in agreement.

They were.

Senator Ruff introduced **Mr. Simmons** and stated that there had been some back and forth regarding some of the details, particularly who would administer the program. It was discussed that since the Department of Education already has a sort of scholarship program/forgivable loan type program, that it would work in their system well. They want to charge a 5% handling fee, which is more than they would have liked. So, ODU or VPI may make a better offer.

Mr. Simmons explained the program. This program will assist twenty (20) localities within Southside Virginia and will be for students wishing to go into the field of teacher education and plan to come back and teach in one of the 20 localities. Any accredited College or University would be eligible; the student would have to show intent to enter in the field of K-12 education, preferable 6-12. There would be a grant up to \$4,000 or tuition and fees, whichever is less, for public institutions per year. For independent institutions the amount would be raised to \$6,000 or tuition and fees, whichever is less, per year. For each year the student returned to one of the 20 localities to teach, a year of the loan would be forgiven. Furthermore, he hopes to have the interest rate at 3 % rather than 5 %. The federal interest rate will be 3.84 %. The Commission would then be more attractive than other programs. The Virginia Department of Public Instruction already has a teacher scholarship loan program so there is some infrastructure of which the Commission could take advantage. However, there are now efforts to reduce the

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proposed administration costs from 5% to between 3 % and 3.5 %. The available funds, \$2.8 million, should allow for 400-700 scholarships in the year. There are provisions for the situation of more applicants than funds, to ration the funds. That may be more of an issue in subsequent years. There is also a provision to permit someone wishing to transition into education to take advantage of this scholarship program as well. Using the teaching profession for this program is the hook to bring the students back to the community, because they know there will almost always be available jobs.

Delegate Wright added that it also fills a serious void.

Senator Ruff noted that there are two issues in recruiting teachers, one is the pay scale and the other is the location.

Mr. Arthur stated that there are other professions other than teaching that would bring students back to Southside and be of value.

Senator Ruff agreed. However, in light of the time constraints, they need to get the message out and it needs to be a simple one. If it is too complicated the students may not understand it. It could be opened up to other professions in subsequent years.

Mr. Simmons noted that education has a generally quicker payoff than some other professions, such as medicine.

Senator Ruff brought up the issue of requiring a longer commitment from those students who attend private schools because the investment is larger.

Mr. Simmons responded that it was something that could be worked out but that would increase the complexity of the program. Perhaps it could be worked out next year.

Delegate Wright agreed that it might not be an overriding concern, but one that could be looked at next year.

Mr. Arthur commented that he has concerns with limiting the program to education.

Mr. Fields responded that administering the program would be more difficult.

Mr. Simmons added that teachers are easier to track. Once this pilot is running, it can be expanded more easily.

Senator Ruff clarified that this program is not limited to freshmen.

Senator Ruff asked if they should be talking to other people about administrating the program.

Ms. Fowlkes suggested the Danville Institute and the Higher Education Center in South Boston.

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Mr. Simmons commented that starting the program from scratch could be detrimental to the program in regard to the timing.

Mr. Arthur noted that they would not be locked into staying with the organization after this year.

Senator Ruff asked if the Committee is willing to go ahead with the most cost effective administration entity.

The committee agreed

Mr. Arthur reiterated that there should be a statement in the guidelines stating that the program can be broadened in the future.

That statement was added to the program guidelines.

The meeting adjourned.

Submitted by **Carthan F. Currin, III**

Executive Director of the Commission