



Education Committee
Thursday, April 24, 2003
9:30 a.m.
Berry Hill Mansion
South Boston, Virginia

APPEARANCES

Senator Frank M. Ruff
Chairman
Senator Phillip P. Puckett
Vice Chairman
Delegate Joseph P. Johnson, Jr.
Delegate Thomas C. Wright, Jr.
John Stallard
Buddy Mayhew
John T. Taylor
Stephen S. Banner
Fred M. Fields

Commission Staff

Carthan F. Currin, III
Libby A. Tribble

Attorney General's Office

Anne Marie Cushmac
Stephanie Hamlett

SENATOR RUFF: I want to welcome you all here this morning; I'll call the meeting to order. Carthan, do you want to call roll?

MR. CURRIN: Mr. Banner?

MR. BANNER: Here.

MR. CURRIN: Mr. Fields?

MR. FIELDS: Here.

MR. CURRIN: Delegate Johnson?

DELEGATE JOHNSON: Here.

MR. CURRIN: Mr. Mayhew?

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1 MR. MAYHEW: Here.
2 MR. CURRIN: Mr. Stallard?
3 MR. STALLARD: Here.
4 MR. CURRIN: Mr. Taylor?
5 MR. TAYLOR: Here.
6 MR. CURRIN: Mr. Hopkins?
7 MR. HOPKINS: No response.
8 MR. CURRIN: Senator Puckett?
9 SENATOR PUCKETT: Here.
10 MR. CURRIN: Delegate Wright?
11 DELEGATE WRIGHT: Here.
12 MR. CURRIN: Mr. Chairman?
13 SENATOR RUFF: Here.

14 As I said, I want to welcome also the new members of the Committee.
15 Would anyone like to have any brief opening remarks? I'll be delighted to hear short
16 ones now. The next thing would be for the approval of the minutes of the meeting on
17 April 8th.

18 SENATOR PUCKETT: So moved.

19 DELEGATE JOHNSON: Second.

20 SENATOR RUFF: All in favor say aye (aye). All right. There are a
21 couple of things that were left over from the fall meeting and that deals with a portion of
22 money that was going to come to Southside. Libby, do you want to give us any
23 background on this?

24 MS. TRIBLE: Where do you want me to start?

25 SENATOR RUFF: Start at the bottom and work up.

26 MS. TRIBLE: Community Memorial, the way this was left at the January
27 7th meeting, the Committee took a vote to tentatively fund the project based on
28 Community Memorial working with staff. Community Memorial submitted a new
29 proposal for anyone that would like to look at it's here and you can review it. It's the
30 same proposal that there was a lot of support for. The main problem, I think, the
31 Committee had was that a large percentage of funding went to salaries and the Committee
32 had decided not to fund for any projects other than start up. What Community Memorial
33 has done to rearrange their proposal and keeping the same needs of the proposal and their
34 going to contract with the community college? So instead of funding salaries they are
35 funding a contract for the community college to run the Nursing Training Program so
36 they eliminated salaries. The budget does show a contract for professional services and
37 that professional service is a contract with the community college to run the program.

38 SENATOR RUFF: Thank you. The Commission, as we have moved
39 forward, has said we were not going to be in the business of providing operating funds
40 for things. We have said that we will provide start up costs and this is the start up year
41 for this program so that is why we are where we are. The consensus of this Committee, I
42 think, was to move forward with it but at this time I'd entertain a motion to move forward
43 with that.

44 DELEGATE WRIGHT: I so move.

45 DELEGATE PUCKETT: Second.

46 SENATOR RUFF: All in favor say aye (aye). Thank you. Moving on up

1 the line, the Patrick County Educational Foundation and Patrick County Public Schools.
2 In our meeting in October, we reviewed a number of proposals and there were a number
3 of proposals from Patrick County and obviously we could not fund them all. I asked the
4 Foundation and the school system to work together to see if they could not come up with
5 a proposal that would be satisfactory and they did offer a proposal. Libby, do you have
6 that?

7 MS. TRIBLE: Yes, it's in the packet and there's actually three separate
8 portions. One is Patrick County Education Foundation letter to you and there's one
9 headed Patrick County Public Schools and Patrick Henry Education Foundation and
10 another that has Patrick Henry Public Schools. These three together are the joint
11 proposal.

12 SENATOR RUFF: They have done what I asked them to do as Chairman
13 and it's up to this Committee to decide whether they want to move forward on this or not.
14 Ms. Terry, I believe you wanted to have some comment on that, unless there's anybody
15 on the subcommittee that wants to speak first. If not, then Mary Sue go ahead and tell us
16 what you want.

17 MS. TERRY: Thank you Mr. Chairman. I'm relatively new to the
18 Commission too so I was not present and I was not a member of the Commission when
19 the two proposals came before the Commission. There's one point of information that I
20 think is important and that is that they were not two Patrick proposals. One proposal was
21 a proposal developed by the Patrick Henry Community College and it was a regional
22 proposal with the City of Martinsville. As you know, the City of Martinsville does not
23 receive any direct grant funds, it had no warehouse at the time of this or at the time the
24 formula was developed. The City of Martinsville, probably the majority is African
25 American. The community college reached out into the City of Martinsville the way that
26 Danville Community College reached into the housing project in the City of Danville and
27 I think Danville has used the Tobacco Commission money as well. So on the original
28 proposal, Patrick happened to be the county that was writing the checks. The proposal
29 originally, I think, was for \$180,000 and it was geared toward technology. Mr.
30 Chairman, I appreciate the opportunity to speak but just to give a thumbnail sketch about
31 what is a little unique about Patrick is that it's the fifth largest county geographically in
32 the State and it's got three mountain ranges and wireless does not work there. Because of
33 the 58 funding, it now constitutes the end of the cul de sac as you travel west in Virginia.
34 It's a county that has not grown substantially so wireless does not work there. The
35 Patrick County Education proposal made under the auspices of the Community College
36 which was joint and which would have provided for a special computer wiring and access
37 into the public schools which could have been used for adult education and that type of
38 thing. The Patrick County Educational Foundation which regrettably I had to resign from
39 yesterday because of the conflict it puts me in submitted, following the Patrick Henry
40 proposal a proposal which is shown as a capital proposal on your program. The bulk of
41 the funds in that proposal go for grants or gifts to individuals that get the GED Program.
42 I don't think it's a question of somatics and I would not categorize the Foundation's
43 proposal as capital. Rather, I don't think we have a category for it; it's basically a grant.
44 Before I was on the Commission and as the Chairman said, both of these were shown in
45 Patrick's proposal and one of them was not a Patrick proposal but was a regional
46 proposal. It was too much to give Patrick, \$286,000 and I don't have a quarrel with that

1 at all. The superintendent of schools was not there and the two sides sat down and tried
2 to come up with a compromise. The compromise they came up with cut out the City of
3 Martinsville. While I live in Patrick, I view my role as representing all of the people. So
4 I began to work then and I had a conversation with Governor Baliles, I talked with folks
5 in Martinsville and in Patrick as well as met with Adult Education Leaders in the region
6 and State Adult Education Leaders. Patrick since that time has been asked to submit a
7 cut down proposal that would include Martinsville and not cut out Martinsville. It's easy
8 for the County to cut out the person who was not there because Martinsville was not
9 present. I think the Martinsville part of this proposal would be \$46,000. As
10 uncomfortable as it is for me Mr. Chairman, I told the folks in Patrick I thought it was
11 wrong for them to cut out the City of Martinsville.

12 The first request I would make to the Committee is to please consider this
13 a regional proposal to add back in money that would include the City of Martinsville,
14 which gets no allocation from this Commission for economic development. The City is
15 significantly African American to do there what has been done with the City of Danville.
16 I think that would amount, Mr. Chairman, for that regional proposal, \$146,000.

17 If I could address that just briefly, the Foundation's proposal. The
18 Foundation has done wonderful work in Patrick based on the Norfolk model in terms of
19 college access for students. When the Foundation's proposal was first drafted and
20 presented to this Committee in Roanoke, it was put in tier 1 because it was a very simple
21 summary statement and this is based on an award-winning program in Norfolk. That
22 statement was not an accurate statement. I can certainly understand part of the program
23 is based on Norfolk and part of the program is not based on Norfolk. The Foundation's
24 proposal would call for, I think it has a \$17,000 advertising piece and we're a County of
25 19,000 people and we've got one television and radio station, one newspaper and there's
26 no need for anyone to buy advertising in our county for anything. Apart from that, it
27 provides that if you are a student, if you are a worker in Patrick and you want to get a
28 GED, these tobacco dollars would pay your salary while you go to the site and worked
29 and got your GED. Then when it's all over, you would be written a check for \$500.
30 Now, our county's teacher's salaries are 91 percent of the regional average, which
31 includes Floyd County and Carroll County. It will take a 15 percent tax increase over the
32 next three years to get them up to the region level. Our hospital is in bankruptcy. In my
33 judgment as a resident of Patrick and having moved back there, we've got 5,000 students
34 that don't have a GED and if half of those students came forward, the cost of this
35 program in Patrick would be over \$1 million dollars. GED is an important issue and the
36 staff came up with a list of the top ten counties that have a very high GEDs. What I
37 would respectfully urge Mr. Chairman is that there be a special taskforce assigned to deal
38 with those counties with high GEDs and that this Commission work with Governor
39 Baliles or others to help raise and use Commission money as well as raise money from
40 Appalachian Power and Sprint and others which has been done locally by the Foundation
41 because we have a Governor whose chaired. Not every county has got a Governor whose
42 chaired and tried to figure out what is affordable in those areas. What makes this
43 awkward for me is that this is my home county. If one of you came forward with a
44 proposal for \$500 for every person getting a GED, I'd want to know how much this costs
45 for the region. If we're going to do it for one locality, why don't we do it for all the
46 localities?

1 Mr. Chairman, I would respectfully request that the regional proposal
2 which involves Martinsville and Patrick that that proposal be funded at a reduced rate of
3 \$146,000 which would take care of the housing projects and take care of some basics to
4 get computers in the school system situation. That the other proposal be tabled until we
5 can determine what counties are like Patrick so that a fair and equitable solution is
6 affordable for the Commission and can be developed for those other counties.

7 SENATOR RUFF: Thank you. Anyone have any questions?

8 MR. MAYHEW: Has this been tried anywhere else?

9 MS. TERRY: No, I can answer that.

10 SENATOR RUFF: Gerry Hughes who represents the Foundation would
11 like to speak.

12 MR. HUGHES: My name is Gerry Hughes and I am the Executive
13 Director of the Patrick County Education Foundation. There are indeed more like 6,000
14 people out of the 19,000, 12,500 adults in Patrick County that don't possess a GED.
15 Currently the school system is doing everything they can with their adult education
16 program. There's very little funding and only \$14 million dollars statewide for GED
17 training and \$11 million of that federal. When we looked at this one of the major barriers
18 to the economic prosperity of the County is the fact that it's workforce is not adequately
19 educated and trained. The College Access Program was one of three legs for that school
20 in that approach to try to increase the educational level for the entire County for all
21 adults. It's been very successful. The next two are GED and workforce training, both of
22 which we plan on initiating and rolling out within the next 30 days. This has not been
23 tried that we know of, anywhere else, which was my main interest in becoming involved
24 with this. The 15 years that I spent in economic development and in Virginia one of the
25 biggest problems is trying to identify and provide adequate labor force in the rural areas
26 of Virginia to attract business. There's infrastructure that's very important as far as
27 having industrial parks, shell buildings and available product but an educated workforce
28 is at the very foundation of your infrastructure. There's several reasons why people don't
29 get GEDs including psychological barriers in Patrick County, there's physical
30 accessibility barriers, people living in different pockets of population, it's time
31 consuming and hard to get to other areas and another is just an incentive to get out there
32 and do it. That's where the incentives came from. The incentives include a choice of
33 basically a cash reward that can be used only against your real property taxes, tuition
34 grants to a community college for credit and noncredit courses as well as \$500 toward
35 certificate programs through either the county schools or through the community colleges
36 to again try to keep people to continue their education. It does not include any money for
37 transportation costs; it doesn't pay you for going to class. The Incentive Workforce
38 Investment Act Program and especially the TRADAK Program that are involved here do
39 reimburse for travel and so on but this program does not and this is a novel approach. In
40 my 15 years I've never seen anybody really take a real bite out of this problem and really
41 show me success. I think this has a chance to do it.

42 SENATOR RUFF: Thank you.

43 MS. TRIBLE: Both of these original applications are in your packet if
44 you'd like to look at them.

45 SENATOR RUFF: Any questions of Mr. Hughes? Let me give you a
46 little background –

1 MS. TERRY: - Can I say something and then I'll sit down –

2 SENATOR RUFF: We're not going to have a running debate, if you have
3 one quick question.

4 MS. TERRY: I applaud the Foundation for its work in the school system
5 and it's made a wonderful difference. I agree wholeheartedly with Mr. Hughes that
6 there's been inadequate support at the state level and this is the question I ask myself.
7 Why don't we give this money then to the school system, the school system runs the
8 program and let the school system then determine how best to spend it. If the
9 superintendent of schools came from your county Mr. Chairman and had submitted a
10 budget to the Board of Supervisor which calls for this \$500 grants to individuals on a
11 pilot basis at a time when we had all the other educational needs in the county it would
12 not have been, to put it mildly, a popular thing. We all know that ultimately these issues
13 get allocated to the county and this county has great needs. I do not think that given all
14 these needs that making this grant to these individuals and given the other needs of the
15 county is the highest and best use of whatever draw this county might have on the
16 Commission in the years to come.

17 SENATOR RUFF: Thank you. Since I gave you a second chance I'll
18 give Jerry a second change. There will be no third chances, understood. Okay.

19 MR. HUGHES: Thank you Mr. Chairman. This will be just one long
20 sentence here. I will say in response to what the school system wants to do and letting
21 the school system decide how to do adult ed, this proposal was originally put together for
22 the Foundation by two of our board members; one being Ricky Fulcher, the Chair of the
23 County Board of Education and Ms. Judy Lance, Superintendent of the Public Schools in
24 Patrick County. That also included the Director of Adult Ed for Patrick County as well
25 as some other members. So in fact they did design this.

26 DELEGATE JOHNSON: Mr. Chairman, I'm wondering if there's an
27 explanation why forty percent of those over 25 have neither a high school diploma nor a
28 GED. The reason I asked that question is that if we make the money available will it be
29 used, 40 percent means that almost half of the people chose not to take advantage of the
30 education that had been provided.

31 SENATOR RUFF: Joe, I'd answer it this way. When Dr. Cromine spoke
32 to the State Chamber of Commerce a couple of weeks ago, she gave a figure that I won't
33 even try to repeat of the folks that were functionally illiterate in Southside Virginia. We
34 have not had a history of considering education the highest priority. When you get folks
35 that are willing to work on the farm or willing to work in the factory and who did not put
36 as great a value on education as we probably should have in the past, they may be 40
37 percent and they may be the highest but there's a number of counties in your region and
38 my region that are not far behind that percentage.

39 I'm going to back up for a second here and give a little background.
40 When we first started meeting as an Education Committee the Vice Chairman and I
41 figured out we didn't want to have a situation where everyone was battling for all the
42 dollars so we kind of set it aside so that every community would get something and kind
43 of used some rough estimates to arrive at that conclusion. When we received the
44 proposals some counties did a fantastic job of writing requests; two of them being Patrick
45 and Franklin. They had several requests and it added up to a lot of dollars and that
46 couldn't happen and then satisfy the needs of all the other communities. In the case of

1 Patrick County, I think for them to have been treated fairly would have been about half
2 the figure we're talking about. As Chairman, I felt like maybe Patrick did have some
3 problems and I was willing to go the extra mile and I think the Committee members
4 present and those that were on at that time, wanted to make that effort go a little farther
5 for Patrick County. I asked them to come to some conclusions so we as outsiders didn't
6 have to try to make a decision right or wrong and that's what got us here. You have now
7 heard two sides of the issue. I think at this point it's up for discussion or a motion if
8 anybody wants to make one.

9 SENATOR PUCKETT: Mr. Chairman, we've been dealing with this for
10 quite some time. We have in our packet a letter from both Patrick County Public Schools
11 and Patrick County Education Foundation. It seems to me we have a pretty solid working
12 relationship and I'm prepared to support what they have placed in their letter. I don't
13 know that we have all the anchors for this but I have looked upon this issue from the time
14 we first started to consider it as maybe a solid pilot project that would give us an idea
15 whether this is going to work and whether it's going to help. Mary Sue has raised a
16 legitimate question I think about can we afford to do what these programs are suggesting
17 and should we include some other people. That has never been part of our regional
18 request or proposal that we have considered. I think this Committee owes an obligation
19 to the Patrick County Public Schools and the Patrick County Education Foundation who
20 has spent some time trying to work out problems and details of what they would be
21 committed to do. There are two things in their letter that stands out and are important as
22 far as I'm concerned. One of them is that the school system and the Foundation are both
23 committed to a course that they believe will help solve this problem. It will not solve it a
24 hundred percent. Delegate Johnson has already indicated there are situations where
25 people just are not going to do that, haven't done it in the past and probably are not going
26 to do it in the future. This is a committed effort on the part of these two groups, I think
27 the thing that's most important to me is that the Foundation and the public schools will
28 further cooperate in using portions of the funds they both receive to make sure that this
29 program is a benefit to Patrick County. I'm not maybe in a position to make this motion
30 but I would certainly encourage, unless someone from Southside knows something about
31 this that I don't know, I'll encourage the Committee to give favorable consideration to
32 what I believe is a working relationship between these two groups that will really benefit
33 Patrick County. There may be some merit taking a look at the issues that have been
34 addressed by Mary Sue and if the Committee wants to do that, then I wouldn't have any
35 objection to that. I believe we have a commitment here from two pretty strong groups in
36 Patrick County to work through a difficult situation and I think we owe them an
37 opportunity to at least start that process.

38 SENATOR RUFF: Yes, Joe.

39 DELEGATE JOHNSON: Senator Puckett said those of us in Southwest
40 Virginia don't want to get involved in, it maybe a problem but is there sufficient money
41 to have the \$46,000 taken care of?

42 SENATOR RUFF: I'm not sure.

43 MR. CURRIN: I think there is a balance that would cover that in
44 education currently in '03, the '03 budget but I want to confirm that with the Director of
45 Finance to be sure and I can do that now if you'd like.

46 DELEGATE JOHNSON: Suppose the money is available Mr. Chairman,

1 would that work with your suggestion or would it be disruptive?

2 SENATOR PUCKETT: The only question I would have and I don't think
3 it would be a problem but I wonder if Patrick County Public Schools and the Patrick
4 County Education Association who is ready to do that and handle that in Martinsville. Is
5 there a group that we, we don't have any indication that there is a group to do that but
6 maybe there is.

7 SENATOR RUFF: Certainly that's a legitimate point but the reality is
8 that when Patrick and Henry were at the table, they ask the highest priority to be funded,
9 their highest priority which with some other programs dealt with the community college.
10 I hate to use the term double dipping but that may be what we're talking about here. We
11 say we let you come to the table once and now you want to come back for the second
12 time. At this point I'm not going to quibble about that.

13 DELEGATE WRIGHT: Mr. Chairman, I must admit that my memory
14 since our last meeting we discussed the proposal at that time somewhat. I do remember
15 however when you asked the groups to go out of the room and try to come to some
16 agreement. I do recall we came to some agreement on how to divide the monies up by
17 areas so everybody would be treated fairly. The question I have is that the proposal that
18 you are making, how does that fit into the deal or the agreement between the parties when
19 they left the room that day? Are you proposing we do what they basically agreed to or
20 what?

21 SENATOR PUCKETT: What I'm proposing is what's really in the letter
22 here and just what they said they'd do and that's all. I would propose that we do what
23 they both agreed to do in writing here. I don't know how that fits with what we did in
24 Abingdon or what we said. I think we asked them to get together and try to work out the
25 situation.

26 SENATOR RUFF: To clear it up a little bit, would you put that in the
27 form of a motion and if there is a second to that, -

28 MR. TAYLOR: Mr. Chairman -

29 MS. SMITH: Excuse me Senator Ruff, can I say a word about
30 Martinsville?

31 SENATOR RUFF: Yes.

32 MS. SMITH: I'm Kathryn Smith from Patrick Henry Community
33 College. I just wanted to say that if the Committee should decide to approve the \$46,000,
34 the college would be in a position to administer it and keep it within the provisions of the
35 proposal.

36 SENATOR RUFF: You fully understand that this Committee may assume
37 that if this is a higher priority for you all than it would probably be held against you in the
38 next round. I'm not going to hold back any punches. If there's money there and if that's
39 the highest priority for you all it will be considered but it will also cost you in the next
40 round. That's my opinion and this Committee can do as it wishes on that. So I would
41 ask that this be dealt with in two motions. If Phil has agreed to make that first motion
42 and it is as it was negotiated out and then after that vote, if there is a second motion for
43 \$46,000. I'd prefer it that way and I think it would be a little clearer.

44 DELEGATE WRIGHT: I'll second his motion.

45 SENATOR RUFF: Any further discussion?

46 MR. TAYLOR: Yes. Did I understand that we were going to fund this,

1 which is the GED, and then we're going to turn around and pay them \$500 to do so?

2 SENATOR RUFF: That is the proposal that the Foundation has.

3 MS. TERRY: That's where much of the money goes, the \$500.

4 MR. HUGHES: They have to successfully take and pass the test and
5 achieve the GED. A lot of these folks are already unemployed. We do think in the end it
6 will reduce our rate by 50 percent in the county. It's going to take about ten years and
7 about a million dollars, I think three million dollars over ten years to get that down to
8 three thousand folks without a GED. This is an incentive to reward them for receiving
9 the GED.

10 MS. TERRY: But it's shown as capital, it's not capital.

11 MR. TAYLOR: Mr. Chairman, are we prepared to do this to the rest of
12 the Southside and Southwest financially?

13 SENATOR RUFF: JT, this Committee did not want to be heavy handed
14 and say that we knew better than the Communities, we've tried to allow them the latitude
15 of deciding what they thought was most important. Can we do this for every community,
16 no, we cannot. Can we do the proposal for the Patrick County School System that they
17 requested in every community? No, we cannot. That was one of the guiding principals
18 that we would not get into the business of funding the public school system because we
19 can't do it. Financially we'd wipe out the Commission in one year. So to answer your
20 question, yes, it's setting a precedent and we've already somewhat set a precedent by
21 funding the Foundation. We funded the Foundation before but that's totally up to the
22 Committee. At this point I could care less and no offense to anyone with Patrick County
23 but whatever this Committee wants to do is fine with me.

24 MR. FIELDS: Mr. Chairman, in all the quibbling, I'm not sure I
25 understand where we're going. I'm not sure I understand what the problem is. Could
26 you or someone else very quickly make me understand?

27 SENATOR RUFF: I don't know if I can but I'll try. As a summary I
28 believe there was a what, a million dollars worth of requests from Patrick County?

29 MS. TRIBLE: I don't have that information.

30 SENATOR RUFF: There were several requests and we pretty much said
31 what is a fair distribution for Patrick County, about a hundred thousand dollars. The one
32 they were most interested in I think was about a quarter of a million dollars. The
33 proposal from the Foundation was a hundred and fifty to two hundred.

34 MR. HUGHES: A hundred and forty.

35 SENATOR RUFF: So we still couldn't do even that highest two priorities
36 so I asked them to leave and come back and in some fashion, if they could, make a
37 decision within that community of what was the best thing to do. If they could not then
38 the Commission would do it for them. I did not feel very comfortable that I wanted to be
39 picking from some proposal. Just as JT brought out, it is breaking ground we may not be
40 able to support in the future. The other one is going into the public school system and
41 saying we're going to fund things that we can't afford to do in Brunswick County and
42 Appomattox County and Lee County. I don't know if that explains it any better or not.
43 It's an innovative program that may be very successful and it may fall flat on its face.

44 MR. FIELDS: Can we afford to fund Patrick County with the numbers
45 they have?

46 MR. HUGHES: Can you say that again?

1 MR. FIELDS: Can we afford to fund Patrick County?

2 MR. HUGHES: In the long range, no. What we're asking for is to use
3 \$70,000 of this money directly for incentives. Assuming it works and all of these folks or
4 3,000 of them obtain a GED and qualify for the incentive, we know it's going to take us
5 \$3 million and we're prepared to raise that \$3 million. This is back to a pilot project to
6 help us get started to see if it works. We fully believe and we're hopeful that it will but
7 we know it's going to take ten years and not one or two years but it's going to take a
8 whole lot more money than \$70,000. This gives us a chance to see if it's going to work.

9 SENATOR RUFF: Does that make it any less clear?

10 MR. FIELDS: It's clear as mud I think.

11 DELEGATE WRIGHT: I seconded that motion so we could have a
12 discussion on it but since there's been some points brought up, I think we need to
13 consider it. If we go down this road can we afford to do it in Patrick and then can we
14 afford to do it in other places? I think there's been some serious questions raised.

15 MR. BANNER: Mr. Chairman, I wonder about the commitment to GED
16 or any kind of education. It's a pretty long-range goal and overall it's a pretty good
17 commitment. How much difference is the \$500 going to make at the end of the process
18 and the number of people that actually commit to that? I also probably think, if I
19 understand the problem in Patrick County as I should and if geography's a problem and a
20 person getting a GED instruction to these folks, would the money not be better spent on
21 instruction of people who really see the need rather than an incentive. To give them \$500
22 tax credit or \$500 bonus when they complete it, I'm wondering what kind of students you
23 get then, I don't know if there's dedication here.

24 SENATOR RUFF: I hope that wasn't a question for the Chair but I don't
25 intend to try to answer it. It's a legitimate point. Any other comments?

26 MR. MAYHEW: Mr. Chairman, we don't necessarily when we deal with
27 a particular locality, we don't have to set that as a precedent that in some future date we
28 would owe it to other localities do we? This seems to be an independent one shot deal to
29 me and an opportunity to throw it out there and see if it will float and see if it will work.
30 If it doesn't work then there's some money gone and if it does, then some other people
31 can say look what happened here and maybe this is the way to go. I don't particularly
32 like the idea of paying someone as a reward to better themselves but the kind of people
33 we're talking about here, maybe that's what it would take and maybe this is just a tryout
34 to see if it works and wouldn't put us in a position where we're saying okay, we've
35 headed this way and now we're got to do it or expand it. Obviously we can't. It might be
36 worthwhile particularly since it came from the locality themselves who came up with the
37 idea and they're anxious to see if it will work. It's not something we came up with but
38 something they presented to us. Maybe it's worthwhile taking a look at it.

39 MR. FIELDS: Mr. Chairman, I notice something I do like about it, I
40 understand we're not putting the \$500 check in their hands when they finish this
41 program, is that correct?

42 SENATOR RUFF: That's correct.

43 MR. FIELDS: If the employer decides to give him the \$500 bonus,
44 otherwise it's tuition or tax credit, is that correct?

45 SENATOR RUFF: Yes, that's correct.

46 MS. TERRY: Reimburse the employer.

1 MR. BANNER: I think we have two separate motions.

2 SENATOR RUFF: There is one motion.

3 MR. BANNER: When we started you had said you wanted to handle it in
4 two separate motions. How much money are we talking about in both of these?

5 SENATOR RUFF: We're talking about, as the motion was made by Phil,
6 we're talking about \$200,000. The add on should it pass, it will be an additional \$46,000.
7 We do know there is enough money as I said before, this Committee will calculate it to
8 what happens in Martinsville region next time if they want to do that.

9 DELEGATE JOHNSON: Mr. Chairman, I'd like the record plainly and
10 clearly show that this is a pilot project and that the future Commission is not bound by
11 anything we do today and that it's not a precedent. Secondly, I'd like to say that the
12 motion may be made and I think Mary Sue makes a good point and I certainly support it,
13 \$46,000 but I would not make a motion to add \$46,000 for this reason. I think we
14 discussed it and Southside has decided what they want to do and I think Southwest
15 should not interfere with what you all are doing. I raised the point under 46 and the
16 money is there but I think if that money is spent that's going to figure into something in
17 the future. I think it would be wrong for us to take away from a future group or
18 subcommittee something that might be more worthy. So I'm not going to make the
19 motion on the \$46,000 simply because it's something that the parties worked out and
20 that's what they've come to the table with and if the subcommittee works goes smoothly,
21 then I think we got to honor it. If that's what you all have come up with then I'm going
22 to support it. However, if it's good, it should be included but the way the process works I
23 think that's the way it should continue.

24 SENATOR RUFF: Mary Sue.

25 MS. TERRY: The Chairman has been very patient. I would just like to
26 respectfully correct the record on two points. Number one, the Foundation's proposal
27 was not developed with Patrick Henry and it was submitted totally independent and the
28 school system found out about it during the course of appearing before this Commission,
29 so this was not a proposal developed by representatives of the school system with the
30 Foundation, it was developed totally independent of the school system. That's point
31 number one. Point number two, we're talking about two housing projects in the City of
32 Martinsville and this is a regional project and this is an area with a high African
33 American population. I would hope that this Committee would work to find the \$46,000
34 for two housing projects in an area that gets no allotment.

35 SENATOR RUFF: I'm not trying to cut you off but the real issue right
36 now is the \$200,000? Any more discussion on that?

37 MR. FIELDS: I'd like to hear the motion.

38 SENATOR PUCKETT: The motion is that we accept the compromise
39 worked out between Patrick County Public Schools and the Patrick County Education
40 Foundation to grant a hundred thousand dollars to each in an effort to reduce the adult
41 illiteracy problem in Patrick County and recognize that these two entities have pledged to
42 work in a cooperative effort with each other to make this happen.

43 SENATOR RUFF: The question has been called for, all in favor of the
44 motion say aye? (Aye). All opposed (No response).

45 MR TAYLOR: I'd like to go on record as abstaining.

46 SENATOR RUFF: One abstention. Is there a motion on the \$46,000?

1 DELEGATE JOHNSON: Just for the record I wanted to show that I made
2 a statement.

3 SENATOR RUFF: Hearing none, I will assume this issue is now void.
4 Thank you. Now, let's get back on track before we lose track of time. The Southside
5 members of the Education Committee met several weeks ago and we talked about the
6 scholarship program and there are a couple of issues at hand. These young people right
7 now are interested in how we're going to pay for schooling. Even though we will not
8 deal with the entire budget of the Tobacco Commission today and I do that with approval
9 from the Executive Committee, if this Committee approves to ask for a \$3.8 million
10 dollar funding for scholarships which is exactly what it was last year so we can at least
11 get these young people going. The rest of the education budget will be dealt with and
12 with the entire budget in the July meeting. If I can have a motion on that I'd appreciate
13 it.

14 DELEGATE WRIGHT: I so move.

15 DELEGATE JOHNSON: Second.

16 SENATOR RUFF: All those say aye (ayes). Okay, that's carried.

17 At the proper time I assume that the Southwest members will decide how
18 they want to handle their scholarships this year. When we met several weeks ago we
19 talked about some things and I appreciate Rachel and Christy making all these trips from
20 Southwest and we appreciate them helping us through last years' process and through this
21 year's. Back in the winter Peter Blake, Deputy Secretary of Education said he believed
22 we had somewhat of a problem in the Southside area but it was not just scholarships but
23 forgivable loans for teachers. If young people go to college to go into the education
24 program and come back to one of the 22 counties or school divisions in Southside
25 Virginia, that we would pay up to \$4,000 a year for tuition. Peter's proposal was that that
26 was going to become a nightmare or complicated in someway trying to track people and
27 try to recover that money if they don't go into teaching. Do we want to get in the
28 business of being bankers and it sounded like a great argument at the time. So I
29 presented that to you, to Southside and I think you all were agreeable that we wouldn't
30 want to be in that business. Since that time, I have been educated. It's been pointed out
31 to me by Longwood that if you require these kids to depend on Stafford Loans then
32 certain qualifications they have to meet may mean that it's not enough money for them to
33 borrow to actually go to school and they'll still have a gap there. Last night when I got
34 home about ten or eleven o'clock, I got an email from Barry Simmons who's the
35 Financial Aid at Virginia Tech and he pointed out another problem. That is, if we
36 reimburse them once they come back and teach that same amount of money, then that
37 would be considered taxable income. That would be a nice chunk out of that. Then they
38 might feel misled so at this point, if we can go ahead and if you all agree, I'd like to go
39 ahead and let us follow through with the plan that we did last year and see in the course
40 of next year whether there's a better way to improve that. All right. It's been moved and
41 seconded, all in favor say aye (ayes). All right, that's passed.

42 DELEGATE JOHNSON: Mr. Chairman, it's my understanding or I've
43 been told that the \$2.8 million going to Southside and \$1 million to the Southwest for
44 scholarships.

45 SENATOR RUFF: That's what we're asking for at this time. When the
46 full Commission votes on the budget in July, there will be X number of dollars and at that

1 time, we can make a decision whether we want to go any deeper into this concept or not
2 but this gives us a baseline so that they can handle things this way, right now. In the
3 meeting in October or December, we talked about trying to add to the Southside part
4 including not just teachers but people from the medical profession and we've been
5 messing with that in a number of different ways. Because of the timeframe, I don't know
6 if we'll be able to finish it today but I wanted to put that out there. I'd like Rachel or
7 Christie to tell us anything we need to know about the teacher program and not get into
8 the medical at this point.

9 DR. FOWLKES: We'd be glad to provide you with information about the
10 teachers and the number of students involved in the teaching program. One of our
11 concerns about the teaching program is that we do not know, we don't have good data
12 from all the school divisions on where the students are returning to know that if they are
13 majoring in the right fields. We know math, sciences, foreign languages, special
14 education have shortages. We have students going to college and majoring in everything
15 from elementary education to whatever. Their concerns are when they graduate will
16 there be jobs available to them. We'd like to see some data collected from the local
17 school divisions on current teacher positions that are available and provide that
18 information to the students as they are enrolling in college or going into a concentrated
19 program. We want their endorsements to be in areas where there are available positions,
20 where jobs are available. We think that would be very helpful to the student, directing
21 them into a career path to get their education for which there are jobs available.

22 SENATOR RUFF: As we work out the kinks in this process, I hope the
23 people from Southwest look at this and make a decision whether they're doing right or
24 not doing right. Keep your eyes open if there's any changes needed. Is there any
25 question I haven't asked that I need to ask anyone or anybody?

26 MS. SCHINABECK: I have a question, will we have new scholarships in
27 2003 and '04 or only renewals?

28 SENATOR RUFF: There will be renewals and new scholarships. If the
29 Committee will allow, we can allow Rachel and whoever else wants to be involved in it
30 to set some standards on deadlines that we will not have to approve by this Committee if
31 that's agreeable with this Committee. That way we don't have to get into those technical
32 details.

33 DR. FOWLKES: Are you still going to limit it to majors in education or
34 are you planning to open it up to nursing?

35 SENATOR RUFF: At this point we'll stay with education. The proposal
36 I'm trying to figure out, whether it will work is if we break down the Southside region
37 into hospital containment areas or community college containment areas and kind of allot
38 scholarship money based on population but the biggest entities in that the hospitals can
39 work with the community colleges to determine what is feasible and what will work for
40 scholarships. In Danville for instance, the need may be for a respiratory therapist and in
41 Martinsville it might be for registered nurses. Southside it may be for occupational
42 therapists. Getting the key medical providers working with the colleges to try to do it but
43 that would not mean restricting the money to being spent at the community college but it
44 would be that the community college has a staff of financial aid experts and they would
45 be able to guide people to the Pell Grants or whatever else is available. To what monies
46 are available in the system prior to using the Tobacco Commission money. If nobody has

1 any objection to working that way, what we'll try to do is prior to July, we'll try to come
2 up with some solution. As we got into that Chris found out there was a March 31st
3 deadline for grants. There are options out there that we're not aware of and we don't
4 want to waste Tobacco Commission money on things that we don't have to and we need
5 to move forward. Those going into the nursing program or other medical program aren't
6 facing quite as bad a deadline as those trying to get into a four year college.

7 DELEGATE WRIGHT: I think this scholarship program is outstanding
8 and has been an outstanding success at this point. I'd like to see us include the health
9 professions as well. There's critical shortages in that area and if you're looking for a
10 consensus from the Committee, I certainly, from my part support that.

11 SENATOR RUFF: Are you willing to deal with that prior to the July
12 meeting?

13 MR. TAYLOR: Mr. Chairman, along those lines if you're looking at the
14 scholarships, we need to look at the levels of the scholarships like when you're a practical
15 nurse it costs so much to educate the practical nurse versus the RN and those different
16 categories. I think we should look at the level, the level of scholarship dollars here.

17 SENATOR RUFF: That's the debate we got into and we didn't find a
18 great solution other than the fact that the community colleges are professionals at
19 educating and they have the staff to figure out what is the best way of financing an
20 individual. They have a vested interested in numbers of bodies versus a few high paid
21 ones. We talked about recruiting doctors for hospitals or getting young people to become
22 doctors. The reality is the money we could put into that would not be a driving force in a
23 young person's mind. They believe they can do more with their dollars by offering them
24 big bonuses to come at the end. If you start saying you're going to pay someone through
25 eight plus years of education, their interests and their whims or whatever are going to be
26 changing in eight years, there'll be some problems going back and following it. It would
27 be far better to find someone a year away from becoming a doctor and say we'll give you
28 X number of dollars to come to our community. I think if we take care of the pressure on
29 the nursing assistants or nursing aids and practical nurses and registered nurses, that
30 relieves them of a lot of financial pressure that they can then spend on doctors. We just
31 don't know all the answers and ramifications.

32 Libby, what did I miss on the agenda?

33 MS. TRIBLE: The community colleges.

34 SENATOR RUFF: Because the full Commission is going to meet at
35 11:00 o'clock unless the community colleges want to throw anything out at this point I'd
36 be glad to listen but I suspect we have such a limited time that it's not a whole lot of point
37 of getting into a long debate about things. We'd be better off spending a half a day
38 talking about those issues.

39 MS. TRIBLE: There was some monies remaining in the scholarship fund
40 last fiscal year and the suggestion was made to give it to the community college
41 foundation.

42 SENATOR RUFF: As we went through the teacher's scholarship
43 program, somebody asked an extremely bright question that we were too dumb to figure
44 out earlier. Suppose a young person wants to start out at the community college and go
45 for two years and then transfer to a four-year college, we don't have a mechanism for
46 that. If we say we're going to pay for four years but we're not going to pay for two and

1 two, we tried to talk about that and what we came up with was the idea of giving a lump
2 sum of \$10,000 to each of the four Southside Community Colleges and let them use those
3 funds with the instruction that they would spend that money for tuition for people that
4 were saying they were going into education. Have I stated it correctly?

5 MS. TRIBLE: Yes.

6 SENATOR RUFF: If that's agreeable with everybody, I'd like a motion.

7 DELEGATE WRIGHT: I so move.

8 SENATOR RUFF: It's been moved and seconded, all in favor say aye
9 (ayes). Thank you all for your attention.

10 MR. FIELDS: I do have a point Mr. Chairman, I know we're running out
11 of time but I never like to let a good debate or discussion end. I won't keep this thing
12 ongoing forever but I think as a Commission, we're expected to spend this money as
13 wisely as we can. We're expected to do as wise a things with it as banks would with JT
14 Taylor in charge of loaning money. After the motion and after the passage I'll just be
15 very honest with you, I'm concerned about \$200,000 this morning. I'm going to watch
16 this and I'm going to see because, when an education foundation and a public education
17 system and if they're at odds concerns me a lot.

18 SENATOR RUFF: I hope that each and every one of them follows what
19 happens with these programs running smoothly because we can't do a better job unless
20 we're critical of what's happened in the past and find the flaws and improve on the
21 suggestions and look for brighter ways to do things. You make an excellent point and I
22 hope everybody does the same.

23 MR. FIELDS: I hope so too.

24 SENATOR RUFF: And I hope everybody understands that we're under
25 the spotlight in this process.

26 MS. SCHINABECK: I'm Karen Schinabeck from Longwood University.
27 Just as an aside, as a financial aid officer, I'd like to thank you very much for the
28 scholarship money. It's wonderful and we have 127 students receiving that money at
29 Longwood. They're very thankful and waiting for me to renew. I'd like to take a
30 moment to thank Chris and Rachel because they did a wonderful job with something that
31 was new, especially at a time when all the state budgets were being cut and this was
32 taking all of our time up. I just think they deserve some thanks because they got in there
33 and took care of these things. I certainly appreciate all the emails involved.

34 SENATOR RUFF: I'm sure they appreciate those remarks. We have
35 tried to lavish our thanks to them. They have done a wonderful job and we're very
36 thankful for their service. Anything else? I'll entertain a motion to adjourn. It's been
37 moved that we adjourn. We're adjourned.

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39 PROCEEDINGS CONCLUDED
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CERTIFICATE OF THE COURT REPORTER

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 Education Committee when held on Thursday, April 24, 2003 at 9:30 a.m. at the Berry Hill Mansion in South Boston, 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 28th day of April, 2003.

Medford W. Howard
Registered Professional Reporter
Notary Public for the State of Virginia at Large
MY COMMISSION EXPIRES: October 31, 2006