



1
2 VA TOBACCO INDEMNIFICATION AND COMMUNITY REVITALIZATION COMMISSION

3
4 Education Committee

5
6 Longwood University
7 Grand Dining Room – Upstairs Annex
8 Thursday, July 10, 2003 – 8:45 a.m.

9 APPEARANCES

10 Senator Frank M. Ruff – Chairman
11 Senator Phillip P. Puckett – Vice Chairman
12 Delegate Joseph P. Johnson, Jr.
13 Delegate Thomas C. Wright, Jr.
14 Mr. Steve Banner
15 Mr. Isiah Hopkins
16 Mr. Fred Fields
17 Mr. Buddy Mayhew
18 Mr. John Stallard
19 Mr. J.T. Taylor

20 Commission Staff

21 Carthan F. Currin, III – Executive Director
22 Mary Cabell Sherrod – Manager of Communications and Committee Operations
23 Stephanie Wass – Director of Finance
24 Tim Pfohl – Grants Program Administration Manager
25 Jerry Fouse – Grants Program Administrator – Southwest
26 Britt Nelson – Grants Program Administrator – Southside

27 Attorney General's Office

28 Frank Ferguson – Senior Assistant Attorney General
29 Anne Marie Cushmac – Senior Assistant Attorney General

30
31 SENATOR RUFF: Let's get the meeting started and we'll start by letting the
32 Committee members introduce themselves and if you'd like to give some background.

33 MR. BANNER: I'm Steve Banner, Russell County.

34 MR. STALLARD: John Stallard, tobacco farmer from Scott County.

35 MR. FIELDS: Fred Fields, Lee County.

36 DELEGATE WRIGHT: I'm Tommy Wright from the 61st District.

37 SENATOR RUFF: Frank Ruff from Mecklenburg County, 15th Senatorial District.

38 SENATOR PUCKETT: Phillip Puckett, 38th Senatorial District, Russell County.

39 DELEGATE JOHNSON: Joe Johnson, Abingdon, 4th District.

40 MR. TAYLOR: J.T. Taylor, Mecklenburg County.

41 MR. MAYHEW: Buddy Mayhew, Pittsylvania County.

42 MR. HOPKINS: Isiah Hopkins, Lunenburg County.

43 SENATOR RUFF: Has everyone received a copy of the minutes from the last
44 meeting?

1 DELEGATE JOHNSON: I move the minutes be approved as mailed.

2 MR. MAYHEW: Second.

3 SENATOR RUFF: All in favor say aye (aye's). The minutes are approved. The first
4 item that we have on the agenda is how we're going to deal with the community college allocations.
5 Let me give you a little background. In the beginning we agreed that seven community colleges
6 serve the tobacco growing regions in southwest and southside. The first two years we put six million
7 into that sum and that divided out to eight hundred plus thousands per community college. Last year
8 we made a decision to reduce that amount to four hundred thousand however, the community
9 colleges could make applications for additional money based on specific criteria they would be
10 competing for that money against other entities and other possible ways of using the money. So, I'll
11 open it up now and I'd like to know what do you all believe is the right amount or if there should be
12 any money that automatically goes to the community colleges?

13 DELEGATE JOHNSON: I definitely think the four hundred thousand should be
14 appropriated and that's really not enough. The amount we originally started with to me in my area of
15 southwest Virginia, the community colleges and the scholarship money is spent on students closely
16 related and connected to the farming community and the scholarship money and four year colleges. I
17 think those people that take advantage of the scholarships we want to continue. I don't believe we
18 have enough money to fund all of the applications. Those students that may be doing part time jobs
19 related to farming during the daytime go to the community colleges at night. If we can educate those
20 people then we have increased the tax base and also it helps to increase the quality of life. It makes
21 good sense to me that we provide the scholarships for all of those within the guidelines that we set
22 out. I think it serves people that we intended to serve and people that are connected with the
23 community and that's my thoughts.

24 SENATOR RUFF: Anyone have any other thoughts on it?

25 DELEGATE WRIGHT: Mr. Chairman, what was the original amount that Delegate
26 Johnson said?

27 SENATOR RUFF: The first two years eight hundred thousand.

28 DELEGATE WRIGHT: What was the allocation?

29 SENATOR RUFF: It was six million divided by seven community colleges.

30 DELEGATE WRIGHT: The reason that was on a conditional basis that is just the
31 way the application was done?

32 SENATOR RUFF: That was all done on majority vote of the Committee.

33 DELEGATE WRIGHT: What was the rationale?

34 SENATOR RUFF: Having the most vote, that's the only thing I can tell you. There
35 was some of us that believed that it ought to be based on population service area but the prevailing
36 vote divided it equally.

37 MR. TAYLOR: Do we have enough money to do it that way?

38 SENATOR RUFF: Does anybody from the community colleges want to try to answer
39 that question?

40 MR. TAYLOR: Did you actually have to turn down anyone last year or did you have
41 enough money to fund or do all the applications that were presented to you?

42 MR. SUTTON: Last year I was able to do this. There was seventy five thousand for
43 the program. The first year of the program received a thousand dollar grant and after that the
44 program.

45 MS. SLOVAK: I'm Rose Slovak, we have been funding full scholarships because that
46 was the way we originally started out. We weren't able to do full scholarships for summer and get
47 notification out. We didn't fund any scholarships in the summer session.

48 MS. ELKINS: I'm Ms. Elkins, southside Virginia. We are funding students that
49 originally received scholarship money to get them through the program. We are currently not taking
50 any new applications.

1 MS. WALKER: I'm Martha Walker from Danville Community College. Our
2 scholarships, if you're a member of the household and receive income from tobacco related
3 occupations during the '98, '99 settlement you are eligible for the scholarship funding. We take the
4 total number of applications and divide by the amount of money we have and then award a
5 scholarship. This year or this fall each person will receive a thousand dollar award based on the
6 amount of funding that is allocated for scholarships. At Danville Community College the total four
7 hundred thousand that was awarded does not go into the scholarship program. Only a certain amount
8 is allocated for this and this fall it was around seventy five thousand. What happened is that there are
9 economic issues. We have an economic development program and a training program that's been
10 instituted from those funds and they're vital to our region to bring new technology in and to train the
11 faculty. The scholarships and economic development is where the funding is.

12 MS. ELKINS: Our whole amount did go into the scholarship, we required students
13 applying for financial aid before we gave them the tobacco money and if they're qualified for state
14 and federal assistance we don't use the tobacco money, that way we can leverage our scholarship
15 funding to go a little further.

16 MS. SLOVAK: Our funding, with the onset of the program we made a commitment
17 that we planned to fund adult literacy and teaching adults to read and write and do basic math skills,
18 also getting a GED. We put twenty five thousand into the GED program each year and about fifteen
19 thousand in our adult literacy program. In addition we're also doing the GED program and
20 alternative vocational training. Adults go to the vocational school and work on GED skills.

21 MR. SUTTON: We use some funds in Campbell County and the Lynchburg area for
22 workforce training we established a center in Altavista too.

23 SENATOR RUFF: To answer your question, they're not using all of the scholarship
24 money they're using a significant part but level funding did not affect the scholarships. I'd simply
25 add that any set dollar amount will come from the total amount budgeted that we have. So, the four
26 hundred thousand times seven, we won't have that to spend on specific projects that may cover the
27 same territory whether it be a fantastic GED program or this program or that program.

28 DELEGATE JOHNSON: Do you have the applicants that were not included because
29 you didn't have the money for the scholarships?

30 MS. WALKER: In Danville we have all the funds, everybody's been awarded but
31 what we do now at the end of the summer is we accept all the awards from last year to see if they will
32 use the funds this coming year or we can release these funds in which time go back. All funds have
33 been awarded out of the pool of funds and right now we have about five applications coming in and
34 we'll probably end up probably with thirty or so applications that, if we work it right and those
35 students are willing to do it.

36 SENATOR RUFF: You said you only use about 20% of the scholarships, seventy five
37 thousand?

38 DELEGATE JOHNSON: Some of those students the first year or last year, they don't
39 have a scholarship this year to continue their education and they've lost, is that correct?

40 MS. WALKER: If they're not awarded a scholarship then they don't use that money.

41 DELEGATE JOHNSON: But if they don't continue the program then they lose
42 everything, they've wasted time. So, it's essential to have the money for this year to take care of
43 that?

44 MS. WALKER: Yes.

45 SENATOR RUFF: Any further comments? Was that a motion you made Joe?

46 DELEGATE JOHNSON: Yes.

47 SENATOR RUFF: Is there a second to the motion?

48 DELEGATE WRIGHT: What was the motion?

49 SENATOR RUFF: Bear in mind we're talking about next April's money. I hope
50 these folks behind me can hear. There isn't much money or cash available right now so they may

1 have to try to negotiate something from the foundation that can be paid back. We're only talking
2 about money that will be available next April, we're not talking about cash on hand today.

3 MR. WRIGHT: What was the motion?

4 SENATOR RUFF: Four hundred thousand for each community college and they will
5 have to follow the same parameters that they worked with or used last year on how to spend the
6 money.

7 DELEGATE WRIGHT: Do we have any idea how much money that leaves for
8 community colleges that are going to apply for like last year?

9 SENATOR RUFF: The budget calls for seven million and we've already said three
10 point eight for scholarships and this would be another two point eight so, nine million. So, that
11 would leave us two and a half or two point four million to work with on special proposals.

12 DELEGATE WRIGHT: It was my understanding from the last proposal, the
13 proposals coming from the community colleges and the areas population wise.

14 SENATOR RUFF: That will be a debate for yes, that's probably what we'll do but I
15 don't think that needs to be – how we calculate that, this time around is for the next period. I think
16 probably everybody would be satisfied trying to make sure that we understand that everybody has
17 education problems and we need to make sure that no community got left out.

18 DELEGATE WRIGHT: Without taking a vote I'd just like to have a feel for what
19 we've got left.

20 SENATOR RUFF: For those new members what we did when we found out how
21 much money we had last time we tried to evaluate a range by area and not necessarily by county but
22 partially by county and partially by the community college regions so, we made sure no county or no
23 community got left out of the process. We did not follow that strictly but we made sure that
24 everyone shared in getting something. Did that work out?

25 SENATOR PUCKETT: That worked out.

26 SENATOR RUFF: Does anybody have anything they want to throw in on that
27 comment? Since no one seems to disagree with that concept, if there's no further discussion.

28 DELEGATE JOHNSON: Call the question.

29 SENATOR RUFF: All in favor of Delegate Johnson's motion say aye (aye's)
30 opposed (no response). All right.

31 Originally the Committee had talked about an application date for August. We're talking
32 about money that we will not receive until April but the staff's belief and probably is correct. We
33 have a deadline so much earlier than when the money's going to be awarded and things can change
34 or may change and be better to have a date closer to when the money comes in and also give them
35 time to consider and evaluate their proposals. Stephanie, this is your bright idea so, you were talking
36 about January and I was talking about November, tell them what your thought process is.

37 MR. CURRIN: As you all know April 15th is the magic date.

38 MS. WASS: As long as we give enough time for the announcement of the grant
39 process and give time to complete the applications and then set a deadline and then give us a couple
40 of months to review and have the Committee meet and make recommendations.

41 SENATOR RUFF: Was January the date you felt was the best date?

42 MR. PFOHL: That might help bump up against the economic development grant
43 cycle, if we push it back to November that might be better. Our tentative schedule for a Commission
44 meeting final action is April I believe. Late April or early May for a Full Commission meeting. Mr.
45 Chairman, we'll make whatever time frame you want.

46 SENATOR RUFF: Let me back up a step. Economic development is what date?

47 MR. PFOHL: We haven't set a date yet but typically that's been late January or early
48 February.

49 SENATOR RUFF: Does November work or do you feel like that's doable or is that
50 too early?

1 MR. FIELDS: We're talking about the deadline for the applications?

2 SENATOR RUFF: On any other proposals.

3 MR. FIELDS: That's the deadline you want them turned in?

4 SENATOR RUFF: Does somebody want to pick a date in November and make that
5 motion?

6 MR. PFOHL: November 30th.

7 MR. MAYHEW: I move November 30th.

8 SENATOR RUFF: Is there a second? It's been moved and seconded, all in favor say
9 aye (aye's) opposed (no response). All right.

10 Let me give you a little background before I raise the next issue. Halifax County has
11 unemployment somewhere around 10 or 11%. They came to me with a proposal this spring to set up
12 a technology training center at the higher ed building. The staff looked at the proposal and thought it
13 was a fair and reasonable proposal but it did not fit into the time frame we were working on. Even
14 with an August time frame for approval that money would not be to them in time to set up in the fall.
15 So, it's fallen within the realm of what we probably would approve. They went out and borrowed
16 money to do this project. It would give them a great deal of satisfaction that this Committee would
17 go ahead and approve that project so that they will know for certainty that they will get paid back that
18 loan that they borrowed. Tim, can you tell them a little more about it?

19 MR. PFOHL: The project basically consists of the renovation of fifty five hundred
20 square feet of currently unrenovated space in the Halifax Higher Education Center or Southern
21 Virginia Higher Education Center in South Boston. That facility as you saw yesterday in the
22 presentations at the summit, is a former tobacco warehouse and it's been largely renovated. There's
23 still a tremendous amount of square footage that is unrenovated and this proposal would address that.
24 Their request is specifically for one hundred and seventy five thousand of Tobacco Commission
25 funds. The total project cost would be six hundred and thirty seven thousand. The project would
26 renovate space to provide training for basic education, welding, machining, metal fabrication,
27 electrician skills, information systems, technology-based skills. The cost per square foot for the
28 renovations we felt was very reasonable, thirty-two dollars per square foot. This application had
29 tremendous support and participation from the community colleges, from the Halifax Education
30 Foundation, which is the actual applicant from Longwood University and so forth. We felt that it's a
31 project built on an existing successful training center at the Higher Education Center and we had a
32 good match. Two thirds of the match money was in kind but Danville Community College has
33 committed sixty thousand dollars in hard equipment so the Tobacco Commission would not be in this
34 project alone. Several regional organizations support this. The major employers in the region
35 provided letters of support indicating their workers would take advantage of the program. We looked
36 at the application and said it would be nice to have a little more detail about the operational aspects
37 of the program, how much in total revenues would be generated on tuition and so forth. Generally
38 speaking it looked like a well thought out and well supported request.

39 SENATOR RUFF: Following up on that, that falls within the range that Delegate
40 Wright was asking about last year. Would somebody like to make a motion?

41 DELEGATE JOHNSON: Will we have the money to do it?

42 SENATOR RUFF: That would be up to the financial experts but a vote would at least
43 make them feel comfortable.

44 DELEGATE JOHNSON: I'll move that we approve it.

45 SENATOR PUCKETT: Second.

46 SENATOR RUFF: Any further discussion? All in favor say aye (aye's) opposed (no
47 response).

48 All right, we'll take this next one a little bit out of order, we have a public comment section.
49 Is there anyone that would like to make any comments that are not too derogatory about this
50 Committee?

1 DR. FOLKES: My name is Rachel Folkes and I'm the Director of the Higher
2 Education Center in Abingdon. We have many students who have been scholarship recipients of this
3 tobacco money and we have some competing degrees with Virginia Tech. This is Chris who most of
4 you know and she does all the hard work in this process. I'm here this morning to share with you
5 and circulate this around the room. Part of the scholarship program for the southwest students, we
6 require all our people to participate in a workshop that we decided last year called Choosing Your
7 Major Or Minor With A Career In Mind. We highlight for the students what's really available and
8 what type of scholarships are available in southwest and also what occupations are available in the
9 southwest. We also have this program to help the students realize what is available in our region in
10 order to find employment. As part of the workshop we have them do a personal career assessment to
11 help them identify majors in college that will lead them in the direction that they want to go.

12 This year as part of our career workshop we have invited two gentlemen who are featured in
13 this handout that we're passing out now. They have written a book called Roadtrip Nation and that's
14 a documentary about what they did. Many of you may have seen them on the Today Show about
15 three months ago. Talking to them about how they go about identifying career exploration. Jobs that
16 are considered good jobs and how to prepare themselves. They're coming to the Higher Education
17 Center to do the workshops for us on August the 16th. The reason I wanted to share this today with
18 you is that I hope you take it back to southside even though I know it's a long way to Abingdon,
19 we'd love to have some of your students come to southwest Virginia and to meet these two
20 gentlemen and hear about how they created jobs and how they prepare themselves for a job. This
21 will be available on DVD and this will give all the students something to take back with them. So, I
22 hope as many of you and your students can come on August 16th to Abingdon. Delegate Johnson and
23 Senator Puckett will be there and they've helped us so much with our scholarship program.

24 SENATOR RUFF: Rachel, the DVD, that offer, is that the stand-alone thing?

25 DR. FOLKES: Yes.

26 SENATOR RUFF: Would it be possible to receive say a half dozen copies of those
27 and maybe we could distribute to the community colleges and maybe set up something.

28 DR. FOLKES: We've asked them to make some available and we're working with
29 the two gentlemen and we could probably make copies. There's also a book available called
30 Roadtrip Nation. We'd like to recommend for the southside students next year a workshop similar to
31 this because we're finding that students in working with the southside particularly because they want
32 to be teachers in the area and many of them are unaware that there's a high demand for teaching jobs
33 especially in education, math, sciences and they don't know the process of obtaining a Virginia
34 teaching license. We'd like to set up a workshop for them next year that would be helpful for them.

35 SENATOR RUFF: Thank you. Is there any further comment?

36 MR. WATKINS: How many applications do we get for teacher scholarships?

37 DR. FOLKES: In southside we don't know how many are eligible yet, seven hundred
38 and six applications in southside.

39 SENATOR RUFF: Seven hundred and six. Of the seven hundred and six after they
40 finish reviewing I'm sure it will drop down.

41 MR. FIELDS: The teacher scholarships?

42 SENATOR RUFF: We'll probably look at that as we move forward with the last
43 money and try to earmark some of it for students that want to go into the medical field but right now
44 we've got to figure out a solution to come forward with.

45 MR. WATKINS: I got a request from some people shortage of animal veterinarians
46 and whether that would be something we'd look at to fund scholarships for. Lastly, the group that
47 we gave five million dollars to we don't know how much money they gave in loans last year?

48 SENATOR RUFF: I'm sorry, would you repeat that?

49 MR. WATKINS: What was our group that we gave the five million dollars to, we
50 don't know how many loans they gave, can we find that out? I'm talking about the foundation.

1 SENATOR RUFF: Does anyone have any numbers off the top of their head? I don't
2 know but we'll try to come up with some kind of number if not later today then by email. Any
3 further questions or comments? Carthan, would you introduce Tom?

4 MR. CURRIN: Mr. Chairman and members of the Committee, we have Mr. Tom
5 Stuhlmiller here with TekXam. In lieu of the Secretary's comments yesterday I was asked to pay
6 special attention to Tom's presentation, I think you'll find it's of real interest today. Tom if you
7 please.

8 SENATOR RUFF: I'd point out this is for information only.

9 MR. CURRIN: This is not a request for funds.

10 MR. STUHMILLER: My name is Tom Stuhlmiller, I'm Executive Director of
11 TekXam. I'm here to answer two important questions. What is TekXam and how long will the
12 presentation last. The answer to that question's already been answered. I also want to point out that
13 the President of VFIC the Virginia Foundation of Independent Colleges which owns TekXam and
14 Creative TekXam is here and it's this distinguished gentleman who writes my performance appraisal
15 when I get back to the office.

16 What is TekXam? When I think of TekXam and my background is as an educator. I started
17 out teaching GED to adults and I worked with specialty students. When I think of TekXam I think of
18 technology. TekXam is basically a report on the process and that's probably as clear as mud. When
19 you think of an education process and you look at the four R's and is another component of what we
20 historically look in education is reading, writing and math. Without technology literacy nowadays
21 the component we're really missing the boat to prepare folks for the future. Nowadays it's always
22 good to be flexible. As we look at technology literacy and if you don't prepare folks with that
23 component you're missing the boat. Yesterday we had some reports, but virtually every job the folks
24 apply for now requires some knowledge of computers. It doesn't necessarily require someone to
25 have a degree in information technology. Fundamental knowledge of computers is a must in some
26 applications.

27 In light of this the former Chairman of the Board of the VFIC five years ago made a decision
28 to create an assessment, an identification tool that would combine the concept of students exiting
29 liberal arts colleges and also being certified with technology skills that were more appropriate for a
30 liberal arts student and prepared for the workplace to communicate to employers that they not only
31 had the hiring skills necessary but had used the tools that are available to them in the workplace. So,
32 this began a long process.

33 Five years ago and two million dollars later TekXam was created. Along the way we brought
34 in some partners ACT and those are the psychometric components of the exam and then we had a
35 solid foundation to deliver the exam online. In 2002 we got a call from the Governor who said I
36 think TekXam is a good idea but I'd like to see it appropriate for a workplace literacy-training
37 program. He basically said in light of this I'd like to have people trained with technology skills so
38 we can appropriately have folks ready to go into potential business and this could be established in
39 our community. He said we didn't have any money. He said if you'll modify the curriculum so it's
40 appropriate for non-degree folks I'll establish the training program.

41 We work with Patrick County and their Executive Director to decide or identify what were the
42 four areas to establish what were the criteria and we identified four areas that were significantly
43 needed. This was for non-degree folks to be able to take advantage of jobs in the workplace, this
44 slide identifies the areas and sub-areas. The next area where student concepts, and the next slide
45 shows what would be really appropriate for the jobs.

46 Another area identified was work process. Folks need to be able to make files and learn to
47 create a simple file. The fourth area identified was that folks needed to have entry level knowledge
48 and encompassing some things as how to edit and so forth. So, what happened is that today we have
49 the Patrick County pilot the first in the country. Anybody using TekXam for workforce training and
50 we created a curriculum. Patrick County is using the local community college to provide instruction

1 and working with those people. So, we decided to create four four-hour modules. Evening classes
2 were offered. The first class, we are holding the classes down to fifteen or twenty and the first class
3 decided to start off with a day class. It was overwhelming as far as the response. Right now there's
4 sixty-eight people enrolled and there's a waiting list for the training program.

5 What I'd like to hand out today to the Committee members a training manual that was created
6 through our experience of Workforce Training Technology Literacy Skills that's worked in Patrick
7 County. I think it might be appropriate for the other counties in the Tobacco Commission area to be
8 served as well. That's my presentation. Are there any questions, I know I went through that very
9 quickly. You need to understand that this is an opportunity and see if this is relevant for you and if
10 it's relevant for the communities you serve. Based on the record so far I think it's doing very well.

11 DELEGATE WRIGHT: When you contract with the community colleges, who's
12 actually receiving the funds?

13 MR. STUHMILLER: The foundation contracts in a very reasonable way with the
14 community colleges to teach the course.

15 MR. FIELDS: What type of course have you set up now?

16 MR. STUHMILLER: It's a sixteen-hour course right now. Then we've gotten
17 feedback and we've extended it two hours each. I think it's sixteen hours and probably no more than
18 twenty. The idea is to try to fit it within a time frame that the workforce development folks can
19 handle it. Two nights a week two-hour modules and that seems to be a reasonable time. You've got
20 to fit it in with when people are available.

21 SENATOR RUFF: Tom, thank you for your
22 presentation. Any other business to come before the Committee?

23 MR. BANNER: I move we adjourn.

24 PROCEEDINGS CONCLUDED
25
26
27