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**Education Committee**

Friday, May 28, 2004

11:00 a.m.

Hotel Roanoke and Conference Center

Roanoke, Virginia

**APPEARANCES:**

- Senator Frank M. Ruff, Chairman
- Senator Phillip P. Puckett, Vice-Chairman
- Mr. Stephen S. Banner
- The Honorable Isiah G. Hopkins
- The Honorable Joseph P. Johnson, Jr.
- Mr. Buddy Mayhew
- Mr. John T. Taylor
- Delegate Thomas C. Wright, Jr.

**COMMISSION STAFF:**

- Mr. Ned Stephenson – Manager of Strategic Investments
- Ms. Sarah Griffith – Grants Coordinator-Southwest Virginia

SENATOR RUFF: Let's get started, I want to thank you all for coming, the Committee and those of you in the audience, I see you all smiling right now, at least we've gotten one smile for the day. Can we call the roll please?

MR. STEPHENSON: Mr. Banner?

MR. BANNER: Here.

MR. STEPHENSON: Mr. Fields?

MR. FIELDS: (no response)

MR. STEPHENSON: Mr. Hopkins?

MR. HOPKINS: Here.

MR. STEPHENSON: Delegate Johnson?

DELEGATE JOHNSON: Here.

MR. STEPHENSON: Mr. Mayhew?

MR. MAYHEW: Here.

MR. STEPHENSON: Mr. Moody?

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1 MR. MOODY: (no response)  
2 MR. STEPHENSON: Vice-Chairman Puckett?  
3 SENATOR PUCKETT: Here.  
4 MR. STEPHENSON: Mr. Stallard?  
5 MR. STALLARD: (no response)  
6 MR. STEPHENSON: Mr. Taylor?  
7 MR. TAYLOR: Here.  
8 MR. STEPHENSON: Delegate Wright?  
9 DELEGATE WRIGHT: Here.  
10 MR. STEPHENSON: Chairman Ruff?  
11 SENATOR RUFF: Here. Thank you. You all were emailed or  
12 should have received a copy of the Committee minutes that we had. Do we have a  
13 motion to accept them as emailed?  
14 DELEGATE JOHNSON: I move that we accept the minutes of the  
15 previous meeting as mailed.  
16 SENATOR RUFF: There's been a motion and a second, all in favor  
17 of the minutes as previously submitted signify by saying aye. (Ayes.) All right. The  
18 minutes are passed.  
19 At the full Commission meeting, we voted on the budget that we received  
20 through April '04 allotment and that's nine million dollars. The money will be dealing  
21 with this year's eight million dollars. That leaves us at eight million plus, that leaves us  
22 where we are eight million or a little bit plus what we have carried forward from the  
23 previous allotment.  
24 Today, our responsibility is to decide how we're going to deal with that and the  
25 time frame that we're going to deal with, what kind of parameters we're going to be  
26 working with. We can spend as long as you all want to in that process, but they're going  
27 to lock the door and we're not going to leave here until we get this wrapped up and make  
28 the decisions that are necessary for our students and our community colleges and other  
29 interested parties. We will know where we're going, what we're going to be doing and  
30 how they can approach that subject. Does anyone have any comments as we go forward  
31 and before we start?  
32 Ned, do you want to make your presentation from the slideshow?  
33 MR. STEPHENSON: Yes, Mr. Chairman. I appreciate everybody  
34 coming here on short notice. Time is of the essence and we've had a lot of activities with  
35 the community colleges and other kinds of, they're lined up in a waiting pattern. So I  
36 appreciate your attention and we'll get right to work.  
37 I've prepared some material for you to look at. I'd like to share a little bit with  
38 you, I think there's really three things that we must accomplish today. The first is what I  
39 might call the budget, and by that I mean the education budget that Frank already spoke  
40 to as to how this Committee wants to apportion this eight million that's available to us.  
41 The second matter that we must accomplish today are the particulars surrounding how we  
42 will allocate our scholarship dollars for the coming year. The third thing we need to do  
43 today is to determine the particulars of our grant cycle that we hope to run for the

1 education efforts this year.

2 With that, I'm going to put some slides here on the wall and the Committee  
3 members will have this. This is extremely brief, but it gives you a snapshot of where we  
4 are at this point in time. You can see last year the Education Committee had available to  
5 it nine million dollars and it was apportioned four different ways as you can see there. In  
6 the last column, 2005, the Commission by its vote two weeks ago, has already approved  
7 up to \$3.8 million for the first two line items out of the eight million. The hole in the  
8 picture there represents some of these decisions that need to be made today to determine  
9 how to apportion the rest of that. Which could be apportioned similar to the way it was  
10 last year or additional dollars could be placed into scholarships or a different track,  
11 however the Committee may choose to do today. Keep that in the back of your mind.

12 At this point, I'd like to begin to talk about the scholarships. Mr. Chairman, if  
13 I may, I would like to ask if I can run through most of this presentation one time before  
14 the discussion becomes too great because there are some things that you need to know  
15 later in the presentation that are going to influence what you do. If I may, I would like to  
16 run through this and at some point, I will stop and we'll rewind the tape and come back  
17 to this point and then we can slow down and take them one by one. But I think it would  
18 be helpful for everyone to see.

19 SENATOR RUFF: Assuming there's no objections, go ahead.

20 MR. STEPHENSON: I'm going to give you a recap to bring  
21 everybody on the same page. In the Southwest Virginia scholarship program last year,  
22 here are roughly the particulars that we used to govern those scholarships. There was \$1  
23 million available to Burley growers and quota owners and their families only. There was  
24 a \$1200 cap on their award, and it was available for any curriculum, any GPA and it is  
25 not a loan. That is important to note, because if it is not a loan, once the award is made  
26 there is no servicing or tracking or following, we're done. Unlike Southside. In  
27 Southside Virginia, the total operation is a little bit different. Southside has \$2.8 million  
28 available, it's available to all Southside residents, a \$4,000 cap and it can be only for K-  
29 12 teacher curriculum, any GPA will qualify and it is a loan, not a grant. However, the  
30 loan can be forgiven if you return to Southside and teach. That's kind of how we have  
31 run for the past year.

32 Now, looking ahead a little bit, and I work with Rachel Fowlkes, who is here  
33 today and she may have a chance to speak later, but they have administered the program  
34 for us and basically to cover the existing recipients in the Southside program, those that  
35 are already in the program, it's going to take about \$1.9 million to keep those people  
36 going. This is making some assumptions on who's going to return to school and so forth.  
37 It'll take about 1.9 to keep them going. That'll leave available for any new applicants  
38 900,000, the total being \$2.8 million that has been approved. That 900,000 is probably  
39 okay, however, last week you probably know that the Commission voted to include these  
40 additional curricula for the Southside program: Business and Technology, Engineering  
41 and Veterinary Science, Allied Health Services. That was done on the recommendation  
42 of this Committee and the Commission approved it. When you include those additional  
43 curriculums, suddenly the \$900,000 will not begin to cover the demand. Allied Health

1 Services is very broad. It will not start to cover the demand because, for instance, Allied  
2 Health Services is very broad and I'll speak to that in a moment. There will be plenty of  
3 time for you to discuss this and we'll come right back to the same slide.

4 If we expand the curricula one or more of these things must happen. We either  
5 have to have a reduction in the per student award from 4,000 or there must be a GPA  
6 restriction to narrow down the number of students available or there has to be some  
7 restriction on who may apply or possibly an increase in the budget to accommodate  
8 increased demand. Once you figure out which one of these restrictions are appropriate,  
9 we then have a question of which one of those restrictions should apply, is it only to new  
10 students or only to returning students or both. You can see the puzzle gets complicated.  
11 These are some of the questions we need to work out today so these students will know  
12 whether they qualify or not.

13 The curriculum definitions that the Commission approved last week and, at  
14 this point, Mr. Chairman, if I may, I'd like to call on Rachel Fowlkes to briefly speak to  
15 us about what's involved in these definitions so we'll have that information.

16 DR. FOWLKES: Thank you. We did some research on the Allied  
17 Health and it turned out there's about three hundred careers in the Allied Health category.  
18 We went to the website and looked at the association of Allied Health professions and  
19 they range anywhere from A to Z literally. We then went to the Virginia area health  
20 education centers and we had Wayne Terry speak to us at the Commission meeting about  
21 the needs of Southside Virginia in terms of Allied Health. From his data of the critical  
22 needs in the Southside area, he identified ten areas specifically that were critical  
23 shortages in the Southside Virginia area. The ten areas include, number one Registered  
24 Nurse. I believe we've identified that in previous discussion about areas of demand for  
25 this program. The second area of need is Nurse Anesthetist. You have approved through  
26 special projects or through the competitive grant, a project for Southwest Virginia in  
27 Nurse Anesthesia that VCU will start in the fall.

28 SENATOR RUFF: As you go, would you tell us what the basic  
29 educational requirements are, number of years?

30 DR. FOWLKES: Registered Nurse could be associate degree or a  
31 baccalaureate degree. Nurse Anesthetist, which is called CRNA, Master's degree. The  
32 third area of need is Licensed Practical Nurse, and that can be a certificate or an associate  
33 degree. The fourth area is Occupational Therapy, OT, and that's a Master's degree at  
34 most institutions. The fifth area of need is Physical Therapy and that's a Master's degree.  
35 The sixth area of need is Radiologic Technologist. That can be an associate degree or  
36 Bachelor's degree and then, of course, more advanced at the Master's or Doctorate level.  
37 Number seven is Pharmacist, number eight is Dentistry. Pharmacy is a Master's degree  
38 now, and they're recommending a Doctorate in Pharmacy called a Pharm D program.  
39 The dentist is a Doctor program. Number nine is Physician's Assistant. That is also a  
40 Doctorate program. Number ten is General Practitioner and that's a medical doctor's  
41 degree. Out of this list of ten critical needs in the Southside area you have one certificate  
42 associate program, which is the LPN. Another is the Radiation Technology, which could  
43 be an associate degree or a Bachelor's degree. Then the Registered Nurse at the

1 associate's level or the Bachelor's level.

2 In Business and Technology, the curriculum is broad. You have all kind of  
3 business programs from Accounting, Business Management, MBA at the Master's level,  
4 Marketing, the business curriculum is pretty broad. Technology, information  
5 management, computer science, computer information science and that range isn't as  
6 large as Allied Health, but that curriculum is fairly broad. Engineering tends to be more  
7 focused and there's different categories of engineering, but at the Bachelor's level it's  
8 fairly focused. Our recommendation for Veterinary Medicine, large animals, is that you  
9 not fund that at the Bachelor's level, because Veterinary Medicine is such a competitive  
10 field and Virginia Tech admits 50 students from the Commonwealth of Virginia a year.  
11 We suggest if you go that route, you wait until the student is admitted to Veterinary  
12 school and then fund those that are focusing on large animals. Did that answer your  
13 question?

14 MR. STEPHENSON: Thank you, we'll get into that more deeply in  
15 a minute. In the back of your mind if you would, members of the Committee, we'll need  
16 at some point to start to redefine these definitions. I have brought to you today on the  
17 next slide some recommendations for you to consider. These are recommendations and  
18 very much in this process today is to improve upon these recommendations. This is not  
19 anything that's been etched in any way.

20 Here are some things for you to consider. This is on Southside and for those  
21 that are interested in Southwest, we've got a recommendation page for that, too. In  
22 Southside, we are suggesting that you maintain your 4,000 maximum award and that you  
23 renew the existing recipients, grandfathered people that are already in the program,  
24 sophomores and up. We are recommending you make a new award only to juniors and  
25 seniors and graduates. That means that new freshmen or sophomores will not be eligible  
26 applicants. That we require a GPA of 2.5 for all applicants with emphasis on the words  
27 all, which means both new applicants and existing applicants. Persons in the program  
28 that do not have an adequate GPA would lose their scholarship.

29 Another recommendation is that we require at least nine credit hours per  
30 semester to qualify for a scholarship. This would eliminate persons who want to go to  
31 school and take one or two classes and just hang around for the rest of the time. We also  
32 recommend that you might consider waiving the amount of money going into the  
33 scholarships in Southside by a million dollars. That there be a limit on the teacher  
34 applicants to science and math, they being the people that are in demand for teachers in  
35 our area. Lastly, that there be a degree program required for persons that are under a  
36 scholarship. We're going to come back to each one of these, talk about them at length,  
37 but that's for Southside.

38 For Southwest, the recommendation before you is that number one, we raise  
39 the award per student from \$1200 to \$1500. That there be a GPA requirement of 2.5 for  
40 all applicants, existing and new, that we require at least nine credit hours per semester for  
41 those people, that we raise the budget allocation by \$0.2 million, lastly that we limit  
42 applicants to one degree program. I'm relying on Rachel's staff a little bit to tell us about  
43 that, we have some students going in two or three different programs.

1                   With that, Mr. Chairman, I would like to maybe go back to the beginning and  
2 take these one at a time, and help the Committee work through them.

3                   SENATOR RUFF: That's fine, anyone have any questions before  
4 we start that?

5                   DELEGATE WRIGHT: I have a general question. In the past, we  
6 didn't have any problem with not having enough money to have everyone that wanted to  
7 apply for a scholarship, am I right on that?

8                   SENATOR RUFF: I think we're carrying about 600,000 –

9                   MS. FIELDS: That's it for Southwest, but for Southside it's about  
10 almost 400,000 in Southside.

11                  DELEGATE WRIGHT: My question is this, in the future, since we  
12 broaden this out so much, in these other fields, how are we going to select who gets the  
13 scholarships?

14                  SENATOR RUFF: I think that's what we're going to work through.

15                  DELEGATE WRIGHT: We go through these recommendations,  
16 there's still going to be something other than we've seen.

17                  MR. MAYHEW: If you have more applicants than you have money.

18                  SENATOR RUFF: Whatever process we use, we've got to use the  
19 funding process. What we spend has to come out right so, all of these considerations will  
20 be considered and we still feel like we have too much demand, then we'll figure out  
21 something different.

22                  DELEGATE WRIGHT: It seems to me that we need to consider, we  
23 may have done a very good job in setting these guidelines so far, but if we do all that and  
24 then if certain applicants that, and the money isn't there then we're not going to have  
25 completed this whole thing.

26                  SENATOR RUFF: I think you're right. The end result is that we  
27 have to have some final way of doing it, whether it's the date of application or the GPA,  
28 there has to be some conclusion in this process.

29                  MS. FIELDS: In the past, the way we have done this, when we  
30 opened up the application process that the awards are made on a first-come, first-served  
31 basis when their application is complete. They know that once they do the application,  
32 they have to send that paperwork in. If their awarded one on a first-come, first-serve  
33 basis when receive the completed application. That's the way we've done it in the past  
34 and that way, if someone applies, never sent their paperwork in and we run out of money  
35 then the people that sent their paperwork in would be approved first. Does that make  
36 sense?

37                  DELEGATE WRIGHT: It does, but when you consider since we've  
38 expanded it so much, you may want to consider taking a look at how you actually give  
39 money out to eligible people.

40                  MS. FIELDS: That's how we have been doing it.

41                  SENATOR RUFF: Some of the questions will be more complicated,  
42 or have to be more clarified.

43                  MR. TAYLOR: Mr. Chairman, how many students do we have

1 going out of the program this year? Do you have an answer to that?

2 MS. FIELDS: We can only estimate. Currently, we have 96 seniors  
3 that are awarded, so we can assume that most of those will have graduated in May.  
4 There's 176 graduate students and we assume that at least half of those will not return  
5 next year. They were in their second year of the graduate program. You're looking at  
6 about 170 that we're expecting will not return. That's not given any attrition from the  
7 freshman, sophomore and junior. There may be some that don't come back.

8 MR. STEPHENSON: Mr. Chairman, back to where we started, my  
9 thought is that we should first give our attention to refining the process of the curriculum  
10 that the Committee does want to award scholarships for, because the scope of that will  
11 have most or will have a lot to do with how many other restrictions we need to place. If  
12 we leave the scope very, very wide we will need lots of restrictions later on. If we want  
13 to tighten this down, we can lighten up in some other restriction. So, I would like to  
14 invite conversation here this morning to help us refine these definitions because I think  
15 Rachel can probably be helpful to us in this process.

16 MR. MAYHEW: If you go beyond ten, if we go beyond the ten that  
17 were recommended we need to drop down below that?

18 MR. STEPHENSON: The ten that she named this morning?

19 SENATOR RUFF: I think what we need to do is say, do we need to  
20 look at all ten of those, or if we look at all ten of those, how do we address each one. The  
21 LPN is being dealt with in a lot of regions through the community college system. In  
22 conversations with South Hill and South Boston Hospital, the consensus I believe that I  
23 understand is that it would be irrelevant to try to fund anything for doctors because the  
24 time frame from when they start the process to when they end it, they don't try to chase  
25 after people that long, they try to recruit people in the last year of school. I think we need  
26 to look at each one of these, that each one of these has some difference that we can effect  
27 or that we have no effect on. Rachel, did you want to go back through them, did you  
28 have any extra thoughts on those?

29 DR. FOWLKES: We can go back through them if you'd like to. I  
30 think you're correct about the LPN and to some extent the RN programs that are  
31 available through the community colleges and the radiation technology. I know dentistry  
32 we heard from, we heard from Wayne Terry that that's a critical need in Southside. The  
33 other physician programs, like the physician's assistant and medical doctor, and if you  
34 choose not go that route, I can understand that. We're going on this list of ten that are  
35 already identified as a critical shortage in the Southside region.

36 MR. TAYLOR: Rachel, the way you gave them to us, is that the  
37 percentage, is that the range?

38 DR. FOWLKES: The Registered Nurse is number one, Nurse  
39 Anesthetist is number two, that's CRNA. I think OT is number three. LPN is three,  
40 excuse me. Then OT is four. Physical Therapy five.

41 SENATOR RUFF: Are you folks in the community colleges, or  
42 anybody for that matter, most people going in nursing, do many of them go into a four-  
43 year program, or is it generally a step program? They go into LPN and they like it and

1 then move forward to something at the next level or do they say I'm going to be a nurse  
2 or I'm going to go to college.

3 DR. FOWLKES: All of the above.

4 SENATOR RUFF: Is it a third, or two-thirds or one-third?

5 MR. MATLOCK: I'm David Matlock, I'm the Director of the  
6 Admissions at Virginia Highlands Community College. I am the person responsible for  
7 selecting our RN candidates every year. Over the last three years, this average would  
8 play out for maybe the last fifteen or twenty. Our class of 2004, we selected 52  
9 candidates, five were qualified LPNs. That's usually about it for us, we have anywhere  
10 from three or seven average LPNs in our class each year. For the last six years, we've  
11 admitted 50 RNs.

12 DELEGATE WRIGHT: I think it appears that if we cut the scope  
13 drastically, we're just throwing money away. I'm not sure how to do it. If we take the  
14 most, whether it's five or the ones that are in most demand and fund those, I do think  
15 we're going to have to cut back because if it's a shotgun approach, we're not getting very  
16 far with them.

17 SENATOR RUFF: Anyone else have any thoughts on that? If you  
18 take the top five, then you have Registered Nurse, Nurse Anesthetist, LPN, you take OT  
19 Occupational Therapy and Physical Therapy. If you were to look at just those five, you'd  
20 be eliminating radiology, dentistry, physician's assistant, general practitioner, pharmacy.

21 DELEGATE WRIGHT: Perhaps the exception would be RNs and  
22 LPNs. That may be two that we may not want to fund through this program because  
23 there's other avenues available.

24 SENATOR RUFF: I think the LPN we would not fund through this.

25 DELEGATE WRIGHT: I think dentistry is one, there's a shortage  
26 in Southside.

27 SENATOR RUFF: If you look at those five, dentistry, would you be  
28 looking at all the years of education, the last years, graduate degree?

29 DELEGATE WRIGHT: You have to graduate and have a degree,  
30 otherwise those years are just – I think you should leave it in the graduate years,  
31 graduate degree is required. I think that's something to be considered.

32 SENATOR RUFF: Does the OT and PT, how long does it take for a  
33 Master's degree?

34 DR. FOWLKES: Typically, it's a two-year program, full-time  
35 student. CRNA is a two-year program, nurse anesthetist. Pharmacy school is two to  
36 three years, but I'm not sure about dentistry, is that two or three?

37 MR. MAYHEW: I would agree with most of what you're saying. I  
38 think we've come to a conclusion that maybe we're doing most of that now. I also agree  
39 with the idea of maybe just the graduate aspect of the program for the reasons stated.  
40 Some of the beginning students don't have an idea what they're going to do and might  
41 not follow through to the end of it. This way, we don't need to have people changing  
42 curriculums and switching around and a complicated situation. I think we're on the right  
43 track here, and I think we need to three or four or five that we want to do and move on

1 with it.

2 MR. BANNER: Mr. Chairman, let me jump ahead a little bit and  
3 ask about the process now. Did the full Commission approve the four listed categories?  
4 Before that money becomes available, will we have to go back before the full  
5 Commission or does the Education Committee have the power today? If we set the  
6 guidelines today, will that be the guidelines that we will work under through this summer  
7 when we meet again, or what's the process?

8 SENATOR RUFF: I think we can move forward and the Committee  
9 can define what the categories are and what the requirements are. We'll have a full  
10 Commission meeting in July, and even though they'll be able to take the applications and  
11 start the process. We'll ask them to use these four categories, we're trying to work  
12 through this now, but I think we're on safe ground.

13 MR. STEPHENSON: The language of the Committee's motion last  
14 week anticipated this and really are asking the Commission to empower this group to  
15 move forward now. So, yes, that was in the language.

16 MR. BANNER: I think timing is of the essence now. We're in  
17 June, practically speaking, so I'm sure we need to move as fast as possible with the  
18 community colleges and the four-year institutions.

19 MR. HOPKINS: The six or seven items you had up there and you  
20 said the first four, were they given money last year?

21 SENATOR RUFF: The first and the third have been given money in  
22 the past, have been given money in various ways through grants to set up programs  
23 dealing with the programs in some way on the nursing issue. That addresses one level of  
24 the nursing issue, but does not address all the issues.

25 MR. TAYLOR: Before we move forward, I think we need to shore  
26 up some things that have happened here. At the last meeting, we added these four  
27 different degrees here and we didn't put any stipulation on them. I think we should now  
28 have a motion before we get into this any further stipulating that this will be identical to  
29 our schoolteachers and they will have to come back to the area just like the  
30 schoolteachers.

31 MR. MAYHEW: I think in that last meeting when all that was first  
32 introduced, it was covered adequately last time and I'm not sure we need to do it again.

33 MR. STEPHENSON: When we get to the long list of  
34 recommendations about GPA and who gets that, that is one of the items on the  
35 Southwest's list, that it be or have the same restrictions as Southside and they return. So  
36 I think we can deal with it at that time.

37 MR. TAYLOR: In the motion that we passed in the minutes a few  
38 minutes ago, no restriction on there, that was a motion made by Mr. Mayhew and  
39 seconded by me.

40 SENATOR RUFF: Let's do this now, if you want to make that  
41 motion, let's deal with that now.

42 DELEGATE JOHNSON: Mr. Chairman, before we do that, this is  
43 the Southside's fight but, before those are approved it feels that there was a shortage, a

1 critical shortage, and you required that they come back. Suppose a person gets a degree  
2 and can't find a job because there's too many there, are you going to make sure that jobs  
3 are provided for those people coming back, for instance teachers? I think everybody  
4 would agree that there's a teacher shortage, and they don't have a problem with a job.  
5 But are you going to say they have to come back to County X and if there's no job, then  
6 what? They're going to be unemployed and on welfare.

7 MR. TAYLOR: A veterinarian, herds are increasing and we need  
8 veterinarians to handle those.

9 DELEGATE WRIGHT: Mr. Chairman, I think there's one thing  
10 people need to know up front is the prerequisite they have to come back to the area. I  
11 don't think they're going to apply for a scholarship knowing it's going to be a loan if they  
12 don't come back. I think we have to focus this, and if we're offering these scholarships  
13 are there going to be scholarships for positions that are going to be available. What if  
14 there's not going to be jobs open?

15 SENATOR RUFF: I hope I'm narrowing that process focusing on  
16 jobs available or anticipated availability. I think Rachel can tell you that there's been  
17 enough people to check on this and they're going to come back and teach. If there's no  
18 jobs, they have no intention to come back and teach but using it as a loan process. We  
19 purposely set the interest rate at slightly above the Stafford rate, so people would not use  
20 it as a loan or as a way to get a cheaper loan. I'm not overly concerned about anyone  
21 doing it more than they're already doing. Did you make a motion?

22 MR. TAYLOR: I intended for it to be a motion.

23 DELEGATE WRIGHT: I seconded it.

24 SENATOR RUFF: Any discussion on that? All in favor say aye.

25 (Ayes.)

26 Let's see if we can move on with this medical issue, the Allied Health issues.  
27 Let's look past the Registered Nurse and the LPN right now and let's talk about  
28 Occupational Therapist, Physical Therapist and the other four. Is there a motion that that  
29 be for Master's degree level, post-graduate degree, I guess.

30 DELEGATE WRIGHT: I'd make that motion if that's a  
31 requirement, have to have a Master's degree to hold that position, I'll make that motion.

32 DELEGATE JOHNSON: I'll second it.

33 SENATOR RUFF: Any further discussion on those? All those in  
34 favor say aye. (Ayes.)

35 Nurse anesthetist, LPN, do you all feel comfortable beginning with that?

36 MS. ELKINS: I'm Mary Jane Elkins, Southside Virginia  
37 Community College. We graduated our first class of Registered Nurses and we graduated  
38 25 and 23 are going to work for the hospital and already have jobs to service our service  
39 area. We lost one to California and one to Pennsylvania. You were talking about  
40 funding, that is putting money into a nursing program, the nurses are staying in this  
41 service area.

42 SENATOR RUFF: I don't know what that clears up.

43 MS. ELKINS: You're talking about the money we receive to

1 educate PNs and RNs, it's helpful in recruiting students into those programs and the  
2 scholarship fund enables them to go, they are staying in the area.

3 SENATOR RUFF: What about those that want to become  
4 Registered Nurses, go to a four-year program? Are we encouraging people to go to a  
5 four-year school and they don't have to, if we're providing a nice chunk of money for  
6 them? Could we be more efficient by doing it, by encouraging them to use the programs  
7 that we set up through the community college at least to get a foundation?

8 DELEGATE WRIGHT: If you want an answer to that question, say  
9 yes, we should encourage them to use the community college. It's more efficient.

10 MR. MAYHEW: That depends on funding, if it continues as it has  
11 been, this would be encouraging to them to utilize the existing system.

12 DELEGATE WRIGHT: I think Ms. Elkins' question is well-  
13 founded, we've got to make sure that the money is provided for that.

14 DR. FOWLKES: We have a few students that have completed their  
15 baccalaureate degrees and are going to, that are Registered Nurses that have returned to  
16 school to complete, or they're coming back at our place to take programs through Old  
17 Dominion or through the University of Virginia College at Wise. The reason they're  
18 doing it is because of promotion opportunities that are available to them at the hospitals  
19 with a Bachelor's degree. People with an associate degree typically are people at the  
20 entry level and don't have a graduated pay scale with the Bachelor's degree. If a nurse  
21 wants to advance, they need that Bachelor's degree. To enter the CRNA, the nurse  
22 anesthetist program, you have to have a Bachelor's degree in nursing. To go into some of  
23 the advanced areas of radiation therapy and respiratory therapy, and some of the other  
24 Allied Health fields, you need that Bachelor's degree.

25 SENATOR RUFF: If a Registered Nurse comes back to the  
26 baccalaureate program, at what year of her education is she going in? Is she going in as a  
27 freshman or in as an upper class person?

28 DR. FOWLKES: It can be both ways, those that come to the  
29 Southwest Virginia Higher Education Center come back as juniors because they are  
30 having an associate degree from the community college. There are programs in our four-  
31 year institutions, Radford for example, that you can start at the freshman level, go all the  
32 way through for the Bachelor's degree.

33 MR. MAYHEW: If you made this, as has been suggested earlier, to  
34 kick in on the junior year, rather than the freshman year, in particular some of the people  
35 would go back and get their degree.

36 DR. FOWLKES: It could work that way, yes. It would eliminate  
37 those that started at a four-year institution and want to become a Bachelor-prepared  
38 nurse.

39 SENATOR RUFF: Do you want to make a motion, do we include  
40 the RNs in this group?

41 MR. MAYHEW: That we include the RNs in this group and have it  
42 only apply as the junior or senior year and beyond.

43 DELEGATE WRIGHT: I'll second that, but I've got a question.

1 SENATOR RUFF: Go ahead.

2 DELEGATE WRIGHT: How does that still affect the community  
3 college? What funding will they have if we do it this way?

4 SENATOR RUFF: Hopefully, we can work out something in a  
5 different vein. If we say we're going to fund for a baccalaureate degree for nurses, four  
6 years at a four-year college, and if there's less funding available, however we can figure  
7 this thing, there's going to be less money available for the community college program.

8 DELEGATE WRIGHT: I seconded that only for purposes of getting  
9 the discussion. I guess I'd have to oppose the motion because, I know what the  
10 community colleges are doing now and putting nurses and preparing them to graduate. I  
11 attended the graduation and people are coming to the local areas and they're getting jobs  
12 right there.

13 MR. MAYHEW: I have, my intention was that it would be a  
14 continuation of the existing community college program, because without that, we don't  
15 want to keep that out.

16 SENATOR RUFF: I think you're saying the same thing. I think the  
17 motion leaves more money on the table for the community college nursing program.

18 DELEGATE WRIGHT: Okay, as long as I have that understanding,  
19 the motion will not cut the community colleges.

20 SENATOR RUFF: Any further discussion on that? All in favor say  
21 aye. (Ayes.)

22 That takes care of the last two years on the RN program or the Master's  
23 degree, no more two years in the Occupational PT, the nurse anesthiologist, in dentistry  
24 it will take the last two years. How long is the dentistry program?

25 DR. FOWLKES: I think it's three years.

26 SENATOR RUFF: Was it the intent of everyone to do three years  
27 on the dentistry program? We voted on that, didn't we?

28 MR. MAYHEW: Based on the physical therapy and I think we need  
29 to add that to give us five. RN, nurse anesthetist, occupational therapy, physical therapy,  
30 dentistry is five.

31 SENATOR RUFF: So, you want to have three years for the  
32 dentistry program?

33 MR. MAYHEW: I so move.

34 SENATOR RUFF: Is there a second?

35 DELEGATE WRIGHT: I'll second it. I don't think the RN is  
36 included. I think the categories were –

37 SENATOR RUFF: We dealt with that with the nurses. Is there any  
38 further discussion on dentistry? All in favor say aye. (Ayes.)

39 MR. STEPHENSON: I was hoping we could capitalize these. I  
40 don't know if there's any confusion on what we've done. I'd like for us to recap what  
41 we've done on these motions.

42 SENATOR RUFF: I'm going to make one statement, then if anyone  
43 thinks that's not what we did, let me know. We talked about Registered Nurses in a four-

1 year program, third and fourth year. We were talking about the nurse anesthesiologist  
2 Master's degree only, Occupational Therapist Master's degree only, Physical Therapist  
3 Master's degree only, Dentistry a doctor's degree three years only.

4 DELEGATE WRIGHT: There's one category about the radiologic  
5 technology.

6 SENATOR RUFF: That fell below the five that you originally  
7 talked about. We can expand anywhere you want, but anywhere you expand you have to  
8 subtract somewhere else. What do you want to do?

9 DR. FOWLKES: The radiation technologist is an associate degree  
10 at the community college, so with Registered Nurse you'd have the option of doing an  
11 associate degree plus a baccalaureate degree if you want to go that route or leave it at the  
12 associate degree. Most entry level jobs is an associate degree.

13 SENATOR RUFF: Hearing no motion, then we'll move forward  
14 with the five we talked about. Does anybody think that's not what we voted to do?  
15 Sarah, is that right?

16 MS. GRIFFITH: I was kind of carried away, I was writing them all  
17 down.

18 MR. STEPHENSON: Rachel, are you clear?

19 DR. FOWLKES: Yes.

20 MR. STEPHENSON: I'm satisfied, I'll rely on Rachel.

21 SENATOR RUFF: Let's move on then.

22 MR. STEPHENSON: The other one is business and technology and  
23 that one may need a similar process.

24 DR. FOWLKES: At the business level, you may decide what you  
25 want to do. An undergraduate business degree or a combination of undergraduate or  
26 graduate, MBA at the graduate level. Then you've got general business, business  
27 management, accounting, business information science.

28 SENATOR RUFF: Do we have any data as to what professions are  
29 hurting from a lack of –

30 DR. FOWLKES: - I don't have data for business. We can do a  
31 search for you and come up with that.

32 MR. RAMSEY: In business, probably the most critical area is  
33 accounting or information technology, but that's not the case anymore. The critical area  
34 is accounting, it was information technology, but that's not the case anymore.  
35 Accounting is that one area where there's been a shortage and I think it's the same thing  
36 in our region, but I don't have good data on that.

37 SENATOR RUFF: Is there any others that you'd like to identify?

38 MR. BANNER: Mr. Chairman, my question would be where are the  
39 job opportunities in Southside for business technology. Are there job opportunities there  
40 that are not being filled where we don't have qualified people or people are not furthering  
41 their education?

42 MR. TAYLOR: I'll take a shot at that. At the Riverstone Park,  
43 that's the area in Halifax, that is the technology park, in Clarksville we have one of those

1 parks that will be open July 1, which will be a high-tech type business, which will start  
2 with 30 people and salary level from 30,000 to 70,000. I'd say technology is growing  
3 rapidly in Southside.

4 MR. BANNER: What type of degrees do they need in these  
5 businesses? What kind of shortages are there?

6 MR. TAYLOR: I think probably computer science.

7 MR. MAYHEW: Mr. Chairman, I would like to say that these  
8 prospective students, it's up to them to decide whether there's a job waiting for them and  
9 we would hope that they would pick or get into something that they could get into or  
10 select where they could see this at the end of the tunnel.

11 SENATOR RUFF: I can appreciate that, but I don't know that some  
12 of these kids going to school as freshman have a good understanding of what's out there.

13 MR. MAYHEW: I think there's a number of tobacco families who  
14 qualify for these funds, that we shouldn't go too far down the road in deciding what they  
15 want to choose as their vocation. If we want to stick to the needs, that's one thing, but I  
16 think it's worth something to give the students the option. If they want to take this  
17 course, whether I've got a job waiting or not, if there's money available and other people  
18 get money, I don't think it necessarily needs to be restricted just to where there's a crying  
19 need. There should be some opportunity for a student from a needy family to make his or  
20 her own choice, that's my feeling.

21 SENATOR RUFF: There's no restriction that any of these  
22 scholarships goes to tobacco-needy families. We made the decision early on with the  
23 original legislation and the indemnification and community revitalization. We tried to  
24 address these issues, the growers with the indemnification part and the rest is for the  
25 betterment of these communities. The difference we had in Southwest was that they  
26 wanted to put their money in the tobacco families with no promise that they'd come back  
27 to the areas. The reality of it is that if you don't get a job in Southwest Virginia or  
28 Southside Virginia then that person might make money for himself, but it's not going to  
29 be the betterment for the community, it's not going to revitalize Southside Virginia or  
30 Southwest Virginia.

31 I know there's a young lady in my church who graduated and got a degree in  
32 marketing and she didn't have a job anywhere. My concern is that we should not go out  
33 and encourage people to get degrees and they have to come back and work at Hardee's.  
34 But I don't know how to get from here to there. I think we need to continue down the  
35 road and try to bring these young people back to Southside Virginia, focus on those  
36 careers that will give them an opportunity to do that.

37 DELEGATE WRIGHT: I agree with that, Mr. Chairman. I  
38 appreciate the folks from Southside and what's been said about Southside. But I think we  
39 really need to tighten down. I wish we had business, technology or engineering as a  
40 category in there. But when you look at the critical shortages, like teachers and health  
41 professions or veterinarians. Since it's in there, I guess we have to leave it. I think we  
42 have to be very careful at this. If we don't, we're going to have more people applying  
43 than we've got money to serve. I don't know of that many critical shortages in the

1 business area and technology or engineering in Southside. I don't know of the  
2 employment opportunities for those jobs. I think we ought to refine this and be specific  
3 as far as jobs that are available or will be available in the future.

4 SENATOR RUFF: That's why I want to ask the education folks,  
5 what are you all seeing and hearing, in accounting is there a shortage of, the business  
6 technology field.

7 MR. RAMSEY: I think if you look at those four categories,  
8 obviously Allied Health is critical. There's a huge shortage and there are jobs. So, if  
9 you marry up business technology, if you have business and technology together and  
10 such things as management information systems or advanced manufacturing, which falls  
11 under engineering, there's some shortages. The kinds of companies that we want to  
12 attract or grow in the Southside area are going to be in advanced manufacturing. There  
13 may be some shortages in engineering. Accounting, though, is a high-demand field and  
14 has been so for the last fifty or sixty years. I just think there's so many business  
15 graduates out here and most of them favor business school, but there's a lot of business  
16 graduates out there that you're not going to have the same shortages that you would have,  
17 say, in Allied Health. I would submit some areas of engineering and in the area of  
18 veterinary medicine.

19 MR. MAYHEW: Would you suggest one area, or two areas?

20 MR. RAMSEY: I don't have a degree in accounting, but accounting  
21 is the critical area. It's also a great major for starting business. We want to start small  
22 businesses in our area. As tax laws change, accountants are going to be in business for  
23 many years to come. There are some areas in the IT area, if IT comes back the way it  
24 was five years ago, with outsourcing. There might be some areas of IT, but I think you  
25 might want to look in areas like grade-point averages and things like that. I think  
26 engineering is a critical field.

27 SENATOR RUFF: You're saying you think engineering would be a  
28 more critical area than the technology field?

29 MR. RAMSEY: Yes.

30 SENATOR RUFF: Would anyone be interested in the last two years  
31 in such things as mechanical engineering, electrical engineering?

32 DELEGATE WRIGHT: I think that's the way to go, Mr. Chairman.  
33 Advanced degrees and that type of thing ought to be for the last part of their degree,  
34 rather than the undergraduate.

35 SENATOR RUFF: Is there a motion?

36 MR. MAYHEW: Are we talking about just engineering, or talking  
37 about?

38 SENATOR RUFF: Just engineering, but I guess we ought to go  
39 ahead and get accounting off the table.

40 DELEGATE WRIGHT: Mr. Chairman, I make the motion that we  
41 include accounting under business technology, in that category.

42 MR. MAYHEW: Are you restricting it to accounting?

43 DELEGATE WRIGHT: At the present time, we can add it at a later

1 date, if necessary, but at this point in time only critical fields that we have mentioned,  
2 accounting.

3 SENATOR RUFF: That motion is for how many years?

4 DELEGATE WRIGHT: An accounting degree is four years, I  
5 believe.

6 MR. RAMSEY: Yes, but I personally think it ought to be the last  
7 two years again. People sometimes take two or three classes and then they have a reality  
8 check.

9 DELEGATE WRIGHT: We can identify whether you're a junior or  
10 senior, those categories.

11 MR. RAMSEY: One other thing, Mr. Chairman, in the community  
12 colleges, if someone has an accounting degree and has the CPA, we see that as the  
13 equivalent of a Master's degree. We have a tough time getting accountants to teach at the  
14 community colleges, those with a CPA. Those accounting majors usually go on to be a  
15 CPA. I would suggest the last two years.

16 DELEGATE JOHNSON: I would like to ask a question. Sir, why  
17 would a person get a Master's degree in accounting if they have an accounting degree or  
18 a CPA?

19 MR. RAMSEY: If a student's going to transfer, if they're in one of  
20 the community colleges and they're going to transfer to Virginia Tech or UVA or any of  
21 the universities, you have to have a Master's degree and eighteen hours of graduate work.  
22 Any kind of transfer, that would be English, Engineering, Accounting, you have to have  
23 a Master's degree plus eighteen hours of credit. It also has something to do with  
24 promotions with a Master's degree. So, it is desirable to have a Master's degree, but that  
25 CPA is every bit as important. If you have a Bachelor's and a CPA, those people are  
26 highly sought after, in the community college they're highly sought after if you have  
27 those qualifications.

28 SENATOR PUCKETT: Mr. Chairman, in most states in order to sit  
29 for the CPA, you've got to have 150 hours, you don't get that in just the undergraduate  
30 program, you have to go to the Master's level to get those hours if you want to sit for the  
31 CPA exam. Most students that are going to be accountants and want to have a CPA in  
32 accounting will take the Master's program before they sit for the CPA.

33 Mr. Chairman, let me make a motion and I would move that we combine the  
34 business, technology, and engineering categories together and specifically address the  
35 accounting and the engineering in the third and fourth year of that curriculum.

36 MR. MAYHEW: I'll second that.

37 DELEGATE WRIGHT: I'd go along. I'll withdraw my motion.

38 SENATOR RUFF: So we have a motion and it's been seconded,  
39 any further discussion on that? All in favor say aye. (Ayes.)

40 MR. STEPHENSON: Mr. Chairman, we have remaining veterinary  
41 science. It has been suggested that we restrict awards to veterinary science students, to  
42 restrict them to veterinary schools only.

43 SENATOR PUCKETT: I so move.

1 SENATOR RUFF: Any further discussion? All in favor signify by  
2 saying aye. (Ayes.)

3 Let's move on.

4 DR. FOWLKES: In business and technology are we only doing the  
5 accounting degree?

6 SENATOR RUFF: We're including business, technology and  
7 engineering in one category. Then we're saying accounting and engineering in the third  
8 and fourth year.

9 DR. FOWLKES: So, you're only allowing students taking  
10 engineering in the third or fourth year or accounting in the third or fourth year?

11 SENATOR RUFF: Yes.

12 DELEGATE WRIGHT: Mr. Chairman, is the engineering, would  
13 that be the Master's?

14 SENATOR RUFF: No, third and fourth year, that's the way it was  
15 passed.

16 MR. STEPHENSON: Mr. Chairman, I have returned to those same  
17 restrictions that we presented by way of recommendation and I would invite the  
18 Committee to discuss all of these or any one, I'll leave it to you.

19 SENATOR RUFF: Thank you, Ned. Let's start at the top, then.  
20 Does anybody want to discuss that? Does anyone feel like we have made commitments  
21 to people in the past when we've started at 4,000 and that we should hold them at 4,000?

22 SENATOR PUCKETT: Mr. Chairman, I think once we've started  
23 an individual at 4,000, we should maintain that commitment. But I hope, in doing that,  
24 we do some of the things that are below that. I don't think we should continue to give  
25 4,000 if we don't have some indication, for example, that there is significant progress in  
26 the GPA level. I don't know how low your GPA has to go before you stay in school, but  
27 if we're going to continue to give the maximum award, then I'd like to see us be tied at  
28 least to the GPA and credit hours. I think those two are critical to maintain the award.

29 I have a little bit of a problem with the GPA on an entrance level. I think 2  
30 might be better on an entrance level, that sort of ties to the high school graduate situation.

31 Once you get into this program, the scholarship program, I'm of the opinion that all of  
32 the responsibility should not be just on the Tobacco Commission to keep putting money  
33 out there. I'd like to see that we're getting something for our dollars and that translates  
34 to responsibility to that student. I'm going to say I think there should be some  
35 requirement later on. And once the student is in on the entry level and demonstrates that  
36 they are progressing and moving towards some type of degree, then I think we certainly  
37 have an obligation to maintain what they've tried to do in the beginning.

38 DELEGATE WRIGHT: Why don't we approach this from the angle  
39 of, that anybody that's got a problem with one of these, bring it up, because I think that  
40 most of them are, we could spend a lot of time discussing all of them, but some we can  
41 agree on.

42 SENATOR RUFF: Rachel, do you have any idea of what the grade  
43 point average is for most of the freshman applications?

1 DR. FOWLKES: No, because we have not required them to submit  
2 to us their GPA, their transcripts.

3 SENATOR RUFF: Not from the scholarship, but just from pure  
4 entry into most schools, what is the grade point average?

5 DR. FOWLKES: We don't know, we don't have it.

6 SENATOR PUCKETT: No national statistics or averages?

7 DR. FOWLKES: Are you asking of the current recipients?

8 SENATOR RUFF: Anybody at all.

9 MR. MATLOCK: Mr. Chairman, nationally that average is around  
10 2.7. I'm not sure what it is for our local area. I would like to point out to Senator Puckett  
11 in reference to his idea. The federal government GPA requirement is called satisfactory  
12 academic progress. The federal government with their billions of dollars of financial aid,  
13 they have a very similar guideline in place. They allow for that freshman student when  
14 they come from a small school, that maybe didn't get the same kind of mathematics or  
15 science background as someone from a large urban school would receive. They require a  
16 student have a 2.0 completion at about 30 credit hours. That allows for a person to grow  
17 and get some transitional experience during the freshman year.

18 In the state of Virginia, we have several state grants, as well. We're requiring  
19 for freshman coming out of high school to have a 2.0 and that's the basic GPA for most  
20 all state and federal grants. Then do not place a 2.5 restriction on them until they  
21 complete 30 credit hours. The only other thing I'd comment on in the GPA area, I think  
22 it's a great idea to hold the student responsible, place the responsibility in their lap. Not  
23 only does the federal government require a certain GPA, but they require that the student  
24 complete a certain percentage of their classes. The student may be enrolled with 12  
25 credits and see they're not going to meet the 2.5, may withdraw and receive W's and then  
26 maintain the 2.5. They withdraw from six credits and stay at six. Therefore, they only  
27 completed half the courses that were paid for. The federal government and most  
28 programs require that at the end of a 12 month period, or the end of one full year, one full  
29 year of school that the student has completed 80% of the courses that they attend. That  
30 keeps another area of abuse on the plate.

31 SENATOR RUFF: Rachel, anywhere in this discussion, if you see  
32 we're going down the road the wrong way, let us know.

33 DR. FOWLKES: While we're talking about the number of credit  
34 hours that David Matlock has mentioned to you, I want to drop down to the next line  
35 where you're talking about requiring at least nine credit semester hours. One of the areas  
36 we did some research on with your current scholarship recipients I'd like to share with  
37 you. We have approximately from the Southside area, approximately 145 students that  
38 we consider part-time students. These are primary adults who are returning to school and  
39 are working full-time and they take at least between 3 and 6 credit hours while still  
40 maintaining their job. And they're typically doing a number of things. They're doing a  
41 two plus two program. They went to the community college and they received that  
42 degree and are now completing their teacher education program and they're working full-  
43 time somewhere while they're doing that. We have some that are currently teaching, but

1 working on a Master's degree in school administration, speech therapy or something of  
2 that nature and they can't do it full time.

3 Our recommendation that you don't see in the slide presentation put together  
4 for you is you do allow categories of part-time students, but you reduce the award. If you  
5 look at the average amount of money that the part-time student is requesting and the  
6 average award has been around \$2,000. Our recommendation is that you allow these  
7 adult students that are working and going to school as part-time students, that you will  
8 allow them to continue but that you reduce or cap the award at \$2,000 or \$2500 or  
9 something in that range.

10 SENATOR RUFF: Is 18 hours considered full time?

11 DR. FOWLKES: 12 is considered full time, six for graduate school.

12 SENATOR RUFF: No.

13 DR. FOWLKES: Yes, you're talking twelve a semester. Now you  
14 know why it takes so long if people drop courses.

15 SENATOR PUCKETT: Would it be reasonable to incorporate in  
16 what you said if that applicant or part-time student also holds a full-time job? Does it fit  
17 or not fit?

18 DR. FOWLKES: I don't know that you want to tie it into a job, in  
19 some case it might be a family responsibility. That would definitely reduce the amount of  
20 the award for a person that takes less than a full load. If you're going to award four  
21 thousand to a student that is considered a full-time student carrying twelve hours or more,  
22 I could see you getting the maximum amount. Maybe, say, if you do not carry full load,  
23 the cap would be 2000 or 2500 or something you would choose in between. That would  
24 accommodate your adult students that are working and going to school part-time.

25 DELEGATE JOHNSON: Mr. Chairman, Dr. Matlock and Rachel,  
26 either one, the scale A, B and C, Ds, where do they fit?

27 DR. FOWLKES: 2.0 is a C average.

28 DELEGATE JOHNSON: Would you agree with me that there are a  
29 lot of successful people that only accumulated a C average?

30 DR. FOWLKES: Yes, that's a loaded question. You're right. I've  
31 heard you tell me that before.

32 DELEGATE JOHNSON: Mr. Chairman, I had an English professor  
33 at Emory and Henry college who told the students that anyone that made a C in his class  
34 was a gentleman and a scholar. I think a 2, which is a C, if you make it 2.5 it might keep  
35 people from continuing their education. So, if a C is a 2, I think that Mr. Matlock talks  
36 about the federal and state, I don't think that this Committee should do something greater  
37 to a student than the federal government or the state does. I know some people that had  
38 perfect scores in law school, yet didn't pass the bar examination. I know some students  
39 that just skimmed by and passed it. If your grade point average is not, and as I told the  
40 group up in Danville the other day, I opposed the 2.5, but I would agree on the 2. 2.5 I  
41 think is wrong.

42 SENATOR RUFF: Joe, did the Emory and Henry professor say that  
43 when you were a student?

1 DELEGATE JOHNSON: Yes, sir.

2 SENATOR RUFF: I would assure you that there's been a great deal  
3 of grade inflation since those days, they're talking about going back and stop awarding so  
4 many A's, that's kind of off track.

5 SENATOR PUCKETT: Let me address my good friend from  
6 Hatter's Gap. I think it has some validity, but here's the other ramification. I'm going to  
7 use myself as an example. When I was a student, I struggled to get 2 the two years I was  
8 there, for me it was pretty difficult because I didn't work hard enough. I struggled to  
9 have a 2 when I left Clinch Valley College and went to the University of Tennessee.  
10 Somewhere in that change, I changed a little bit and I became more responsible as an  
11 individual and I spent more time working and preparing myself. When I got to the last  
12 two years, I got more serious about what I was doing. I know that numbers are  
13 something that we try to gauge our success by.

14 There's a lot of people that don't even have a GPA. What people have done is  
15 make a decision some time in their life, I'm going to do something better. I'll be the first  
16 to say that I don't want to exclude anyone because of the 2.5 number or 2.0 number. I'm  
17 going to say that in the first two years we're trying to help these students along and if  
18 there's not some indication that the person can do 2.0 or 2.5, something along that line,  
19 then I think we should, we ought to say to that person you're kind of on academic  
20 probation from the Tobacco Commission standpoint, get that GPA up there and work a  
21 little harder, and we'll help you. You also have to help us. We probably don't have  
22 enough money to meet everyone's needs already. I think that's one of the guidelines that  
23 we've got to have in place. Maybe 2.5 is not so good, but it is a standard. I think that  
24 piece has to be part of the puzzle if we're going to try to put it together.

25 SENATOR RUFF: Just so we don't get too much off on a  
26 percentage, Rachel, can you define what adequate progress is?

27 DR. FOWLKES: In some schools, it's 1.8, and other schools it's  
28 2.0.

29 MR. MATLOCK: The State Council of Higher Education in  
30 Virginia require that all institution submit to them their standards that, what we call  
31 satisfactory academic progress. They're approved by institutions and the regulatory  
32 agency is making sure that we're following the federal government and state government  
33 outlines. They can go as low as 1.5 or 1.8, that very first semester. Many schools do not  
34 require a 2.0 until 30 credit hours. The largest federal program made available to our  
35 students across the country is the Pell grant program. I think it's 1.2 billion will be the  
36 figure next year and it's a \$4,050 grant for the neediest persons. They only require a 2.0  
37 once the student reaches 60 credit hours.

38 Each school in the college catalog is required by law, federal government and  
39 State Council for Higher Education, to define satisfactory academic progress. It's usually  
40 found in the very first chapter of the college catalog. From a management standpoint,  
41 each school, which our tobacco students attend, I believe the financial aid officers or  
42 most of them are handling the tobacco funds. They have a mechanism in place to track  
43 the satisfactory academic progress as defined by the grant. In the community colleges

1 case, we track it internally and I believe Dr. Fowlkes does it for Southwest Virginia.

2 DELEGATE JOHNSON: Senator Puckett, I'd say to you that these  
3 are taxpayer monies, we don't put a 2.5 on that.

4 SENATOR RUFF: What do you put on it?

5 DELEGATE JOHNSON: You don't put anything on it, as long as  
6 you're in college.

7 MR. MAYHEW: From what he just said, could each school have  
8 it's own standard of what is acceptable, what the minimum is that we can state that the  
9 individual school determine whether their students are making satisfactory progress, or  
10 do we still need to put a number on here that applies across the board?

11 DELEGATE JOHNSON: I'd leave it up to the schools, but I would  
12 not oppose the 2, which is a C.

13 DR. FOWLKES: What typically happens is that if a student falls  
14 below what the school has established for academic progress, they transfer. They'll go to  
15 another school where the standard's a little lower. We're basically talking about a small  
16 handful of students. We're not talking about a large number. We probably had a dozen or  
17 less that have had academic problems and have transferred. Students transfer every  
18 semester if they have to.

19 DELEGATE WRIGHT: I don't think that the 2.5 GPA is going to  
20 affect very many of these people. If they've made it through the third year of college, in  
21 some cases for your major you have to have something like a 3.0 to be successful. I don't  
22 think 2.5 is going to be a problem. I think we ought to get as much off the table as we  
23 can agree upon. I'd say that the \$4,000 maximum award, review the existing specifics,  
24 awards, GPA and nine credit hours. I make a motion that we accept those in a block.

25 SENATOR RUFF: You're saying the first five?

26 DELEGATE WRIGHT: Yes, first five.

27 SENATOR RUFF: Let's leave the GPA average out of that, there's a  
28 lot of discussion on that.

29 DELEGATE WRIGHT: I'll eliminate that then. Go to those five  
30 plus a degree program required.

31 MR. TAYLOR: I'd like to go back to the GPA at 2.0, maybe at the  
32 beginning of the junior year, move it to 2.5.

33 SENATOR RUFF: Let's hold all the discussion on the GPA.

34 MR. RAMSEY: I have to comment on what Delegate Wright said.  
35 Most of the colleges will require these grade point averages, they'll require that grade  
36 point average to be admitted to the college of business. If you're talking about the  
37 college of nursing, most of them require 3.0. There's going to be a self-selection process  
38 that goes on here. Even if you drop it down to 2.0, some of these students would not be  
39 admitted to the college of business, like UVA or Virginia Tech or William and Mary, they  
40 just could not get admitted without that 3.0.

41 SENATOR PUCKETT: Mr. Chairman, in view of the discussion  
42 we've heard about the 2.5, I would recommend we approve the first five with the changes  
43 in the GPA to 2.0.

1                   SENATOR RUFF: I'm going to ask that we hold off on the GPA  
2 right now, for a few moments. Was there a second to –  
3                   SENATOR PUCKETT: I'll second what Tommy said.  
4                   DELEGATE WRIGHT: I was going to include at least nine credit  
5 hours so that would be four.  
6                   SENATOR RUFF: I've got a real problem with that nine credit  
7 hours, I've got a little problem with 12 hours being a full-time student. I don't really  
8 want to vote against the motion.  
9                   DELEGATE WRIGHT: I'll withdraw the motion.  
10                  SENATOR RUFF: That leaves us with what?  
11                  MR. BANNER: Would we add the degree program, is there a  
12 controversy on that?  
13                  DELEGATE WRIGHT: I meant to add that one.  
14                  SENATOR RUFF: One, two, three and the degree program, is there  
15 any opposition to those? With those being dealt with together? Is there a second on that?  
16                  SENATOR PUCKETT: I'll second it.  
17                  SENATOR RUFF: Any further discussion on those four? All in  
18 favor say aye. (Ayes.)  
19                  I'm going to ask if there's someone, somebody do me a favor and make the  
20 motion that we don't consider a student full-time unless they take fifteen hours at least.  
21                  MR. MAYHEW: Per semester, or per year?  
22                  SENATOR RUFF: Per semester. I'll listen to your argument.  
23                  MR. MATLOCK: I'd like to tell you what the federal regulations  
24 say. I'm not here to argue, but I just want to make a point of clarification for what the  
25 federal government said. This may address both your full-time issue and the issue  
26 brought up about the one hundred and sixty some graduate students who work and only  
27 attend part time in the Southside area. The federal government, they base everything on  
28 12 credit hours or more as full time. Then for those students that attend the college, this  
29 is for undergraduate work, undergraduate work, a student taking 12 hours or more is full  
30 time. If they receive any federal Pell grant and they take 12 credits or more, they get the  
31 full Pell grant. If this student enrolled half-time, which under this program would be six,  
32 seven or eight credits, then the award is pro-rated and they can only receive half of the  
33 maximum award. So, therefore, students not rewarded for only being enrolled half time,  
34 that's the way the federal government addresses it. In the state of Virginia, I think we  
35 have 11.2 million in what we call our Commonwealth grant. That's the same way that  
36 it's addressed at the state level as well.  
37                  SENATOR RUFF: The reason I raised that issue is because if  
38 you're saying nine and you're going to do this or that, but I think if we define what a full-  
39 time student is, then if we say, okay, take 15 hours and they're taking three hours, then  
40 we give them 3/15, one fifth of the scholarship and that's the direction I was going. I  
41 don't agree with everything the federal government does. I think if my son is able to take  
42 18 hours, and I was able to take 18 hours most of the time, then I think it's reasonable  
43 and fair unless we intend to fund full-time students for six or seven years or whatever it

1 takes, that we should say if they're going on our dime we ought to say that no less than  
2 15 hours is a full-time student.

3 DELEGATE WRIGHT: I'll make that motion, Mr. Chairman, at  
4 your request.

5 MR. BANNER: I'll second it.

6 SENATOR RUFF: I appreciate it. All in favor say aye. (Ayes.)  
7 Opposed? (no response) If you want any more discussion we can. That's just to define  
8 what a full-time student is.

9 MR. BANNER: Back to the GPA question, we haven't resolved  
10 that, have we?

11 SENATOR RUFF: No.

12 MR. BANNER: Could we resolve that by using the individual  
13 college's student in good standing, whether it's at the community college or four-year  
14 institution, in good standing with that university as opposed to using a GPA number at  
15 all? Buddy suggested it a minute ago, would that resolve the problem?

16 DR. FOWLKES: Yes, you can do that, but that's not going to limit  
17 the, if your goal here is to limit or tighten up the award so that it will stretch further,  
18 that's not going to accomplish where we're starting with this discussion.

19 MR. BANNER: Maybe we need to identify what we need to do  
20 then, because we're tightening up and we're probably should certainly set a 2.5 instead of  
21 a 2.0. If we're trying to make sure the students are successful and have an academic  
22 success, then I think that the schools would be the best person and to use their formula  
23 for a student that has successfully completed their program. If they don't successfully  
24 complete, Mr. Matlock, if they're not successful in their freshman year or first semester,  
25 are they allowed to still go back on probation, like I was when I was in school? I stayed  
26 on probation a lot.

27 MR. MATLOCK: What the federal guidelines and now the state  
28 guidelines are, they kind of tightened up as well. In the past, you could fail satisfactory  
29 academic progress at one school and then transfer to another. In the past year, they've  
30 kind of tightened the noose on the academic and GPA. If a student fails to make  
31 satisfactory academic progress at any institution in the state of Virginia, the federal  
32 government and state government requires that in order to receive money in the future, a  
33 student is removed from financial aid when they do not meet satisfactory academic  
34 progress for financial aid. That's a federal dollars and state dollars, I'm talking about.  
35 They're removed from financial aid for at least one semester. They must pay for out of  
36 their own pocket with no help from the federal government or state government, a  
37 minimum of six credit hours, demonstrate that they have achieved academic success,  
38 defined by the federal government. We're back to the 2.0. Then they go before an  
39 appeals committee. If they've met the basic guidelines, then they're allowed to try to  
40 receive their financial aid once again. Does that answer your question?

41 MR. BANNER: Yes, thank you sir.

42 DELEGATE WRIGHT: I think after all this discussion, assuming  
43 we're going to go with the juniors and seniors after this year, one year sophomores by

1 then. As the student begins to work their way up, I don't think the grade point average is  
2 that big a problem. I see both sides of the argument here about the GPA, I'd like to make  
3 a motion that we accept the recommendation of 2.5 for all applicants that we'll accept in  
4 the future. I don't think it should apply to the ones that have come from freshman to  
5 sophomore year this year. That wasn't part of the agreement we made with them. I think  
6 it's fair that we set that standard in the future, they have the 2.5.

7 MR. MAYHEW: Would this be determined at the end of the year, or  
8 the end of the semester?

9 DELEGATE WRIGHT: I think it should be the end of the year.

10 MR. MAYHEW: I'll second it.

11 SENATOR RUFF: So your motion is that anyone that is a  
12 sophomore or higher would have to maintain a 2.5 GPA?

13 DELEGATE WRIGHT: Yes, when you say maintain, I think that  
14 will take care of the ones that are coming up from freshman year.

15 SENATOR RUFF: If you're 1.8 after the freshman year –

16 DELEGATE WRIGHT: You won't be a freshman anymore.

17 SENATOR RUFF: You're still going to average that 1.8 in there?

18 DELEGATE WRIGHT: I've got you, I'm talking about the current  
19 program. In the future, you have to have 2.5 to be eligible going into your junior year.

20 DELEGATE JOHNSON: Mr. Chairman, I hate to oppose my good  
21 friend. I think we'd be making a mistake if we made it 2.5 because you're going to  
22 eliminate some students, not much but some that might turn out to be the President of the  
23 United States. I think it makes it more restrictive than the state and federal on their  
24 scholarships. When we talk about the farming community, we're talking about people  
25 that earned this money, so to speak, with their sweat and hard work. When you have to  
26 tell that person that their hard work and you're telling them they can't participate, when  
27 their mother and father's are tobacco farmers and you're telling that person, you can't go  
28 and you can't have your money to continue your education who might be Governor of  
29 Virginia, simply because you only have a 2.4 average or 2.3.

30 This is for the farming community, for everybody, I think when we set up the  
31 program, the guidelines, we didn't envision putting a restriction with those scholarships,  
32 we couldn't. I think as long as they're in college, they're doing successful work, in my  
33 opinion, a C or a 2.0 is a good grade and those people are entitled to the money the same  
34 as the person that's making a 4.

35 MR. MAYHEW: Mr. Chairman, even though I seconded the  
36 motion, I think if we're not going to go to a 2.5, we ought to forget this whole thing, take  
37 the GPA off of it. I don't think it would be very effective as a goal to lower it to 2. I  
38 don't think there's but a handful of people that are not making it anyway.

39 DELEGATE WRIGHT: One further consideration, Mr. Chairman, I  
40 agree with my friend Joe the majority of the time. Remember that these people have  
41 already been to college and they're dependent on this scholarship. This is really  
42 something for them to, it takes a little extra effort to apply in their junior and senior years,  
43 depending on what they get into in college.

1 SENATOR RUFF: For the benefit of myself and all of us, how  
2 would the dynamics be changed if instead of what we talked about on the cumulative  
3 GPA, talking about the GPA the preceding year.  
4 DR. FOWLKES: If you were a freshman, it would be end of the  
5 freshman year.  
6 SENATOR RUFF: If you were a sophomore and instead of your  
7 cumulative average as a freshman and sophomore year, if you just based it on your  
8 sophomore year. How would that change the dynamics?  
9 DR. FOWLKES: Most of the college transcripts have a cumulative  
10 GPA. Do they ever calculate it by semester or by year and report that out differently?  
11 MR. RAMSEY: You do the calculation by semester and the  
12 transcript is cumulative.  
13 SENATOR RUFF: That complicates things for you all.  
14 DR. FOWLKES: We would have to require that the students submit  
15 a transcript every year or every semester. Right now, we're relying on the colleges to  
16 provide that information. If there's a student that has a problem with academic standing.  
17 MR. RAMSEY: The way it's written right now, you have to have  
18 2.5 to apply, but there is no standard progress. You might have a 2.5 when you apply but  
19 you may drop to 2.1. I don't see any standards of progress.  
20 DELEGATE WRIGHT: The motion said maintain.  
21 MR. RAMSEY: But on the board there it says requires for the  
22 applicants.  
23 SENATOR RUFF: Thank you.  
24 SENATOR PUCKETT: Mr. Chairman, just for clarification, it  
25 applies only to Southside?  
26 DELEGATE JOHNSON: Mr. Chairman, we joined in for Southside  
27 and in the beginning we said we were not going to get in this fight and I felt we could  
28 discuss it all together, then we could vote on different kinds, but I think both needs to be  
29 consistent. If I'm on the losing side, then tip my hat and keep on smiling. I think it  
30 should be consistent. I don't think we need a lot of discussion when we get to Southwest  
31 and I hope it would be the same, but that is the way I understood it and I may be wrong.  
32 DELEGATE WRIGHT: Mr. Chairman, I think based on those  
33 remarks, I'd ask to call the question.  
34 SENATOR RUFF: The question has been called for and all of those  
35 in favor of calling a question say aye. (Ayes.) All those that require to maintain a 2.5  
36 GPA say aye. (Ayes.) Those opposed? (No.) Four to three, the motion carries.  
37 That brings us to the question of credit hour requirement. I'd like to see us  
38 deal with that on a percentage of that fifteen hours, full-time student requirement.  
39 SENATOR PUCKETT: So moved.  
40 MR. BANNER: Second.  
41 SENATOR RUFF: That would mean that if they took three-  
42 fifteenths they'd get three-fifteenths of the scholarship.  
43 MR. MAYHEW: That would accommodate the people that are

1 working part-time.

2 DR. FOWLKES: You're creating a real problem for us if you do it  
3 that way, 3/15 tuitions are all over the board from the institutions. It would make it much  
4 easier and much more simplified if you could, full-time students you're going to award at  
5 4,000, part-time students you're going to award at 2,000 or 2500. Once we have to  
6 calculate it out depending on, it's going to be so complex.

7 SENATOR RUFF: How would we deal with those people who  
8 cannot be students, do they just fall through the cracks? If they can only carry one class  
9 at a time.

10 DR. FOWLKES: I would set a cap, you set a cap at \$4,000 for your  
11 full-time student, I would again suggest that you set a cap for the part-time students at  
12 either 2,000 or 2500. We went back and looked at what our average payment was.

13 MR. MAYHEW: It would be good to define full and part time.

14 DR. FOWLKES: You've already defined full time as 15 credit  
15 hours or more. I would suggest your part-time student would be anyone that falls below  
16 15 credit hours.

17 MR. MAYHEW: What would be part-time?

18 DR. FOWLKES: Three credit hours would be the minimum that  
19 they'd have to take.

20 DELEGATE WRIGHT: Suppose the expense is not as much as the  
21 award is? Dr. Fowlkes, we only pay what the cost is.

22 MS. FIELDS: The problem with that is, if you have a part-time  
23 student and there is a request for money and they usually request the full four thousand.  
24 We have to set aside that money for that student, even if they only take one class a year.  
25 That's because we don't know that at the time when they apply. So, we end up with the  
26 year or with the balance because student requested 4,000 and we had to earmark that  
27 money for them. If you set a cap for part-time students at 2,000, then you leave an  
28 additional \$2,000 out there for us to be able to award to another student who could use it  
29 rather than someone else.

30 SENATOR PUCKETT: Mr. Chairman, I'll withdraw my motion  
31 then and I'd like to make a second motion.

32 MR. BANNER: I'll withdraw my second.

33 SENATOR PUCKETT: I move that we cap the part-time student at  
34 \$2,000.

35 DELEGATE WRIGHT: I'll second it.

36 SENATOR RUFF: Any further discussion? All in favor say aye.

37 (Ayes.)

38 That leaves the issue of –

39 DR. FOWLKES: One thing you should consider. Nancy checked  
40 with the Virginia Department of Education about teacher shortages. The number one  
41 teacher shortage is special education. That ranges from LD to ED, MR all the way to the  
42 speech pathology. Special education is one, math is number two, science number three,  
43 career and technical education four, foreign language five, ESL, which is English as a

1 Second Language, is number six, middle-school certification or licensure is seven, library  
2 media is number eight, art is number nine and pre-K five and six was number ten.  
3 You've got critical shortages in special ed, math, science, foreign language, English as a  
4 second language, career and technical education. It's sort of like the ten categories that  
5 we had for Allied Health.

6 MR. STEPHENSON: We are currently limited to K through 12.

7 DR. FOWLKES: K through 12 covers everything. There are  
8 approximately in the Virginia Department of Education endorsement manuals, 100 or  
9 more endorsements. When you say K through 12, that really covers the waterfront.

10 DELEGATE WRIGHT: I'd like to throw this out for discussion, Mr.  
11 Chairman. I'd like to see us limited to special ed, math, science, and foreign language.

12 SENATOR PUCKETT: I'll second it.

13 SENATOR RUFF: Any further discussion?

14 MR. TAYLOR: Mr. Chairman, what about the people we have in  
15 the program today?

16 SENATOR RUFF: We'll grandfather, I think we need to have a  
17 motion to do that.

18 MR. TAYLOR: Can we do that?

19 DELEGATE WRIGHT: I'll amend the motion to include special ed,  
20 math, science and foreign language, and our teachers including the ones that are currently  
21 in the program.

22 SENATOR PUCKETT: Second.

23 SENATOR RUFF: Any further discussion? All in favor say aye.

24 (Ayes.)

25 DR. FOWLKES: I'd like to throw in one more caveat to this  
26 discussion, the categories you identified as special ed, math, science, career technical and  
27 foreign language, you have people that currently have a degree in education who may be  
28 elementary teachers or some other endorsement area, because of job opportunities in  
29 special ed, math, science and foreign languages, they are going back to earn a second and  
30 third endorsement. You voted a minute ago to require a degree. Many of these teachers  
31 already have a degree and they're not earning a second degree. They're not going for a  
32 Master's but they're adding an endorsement, which may be anywhere from six or nine  
33 credit hours up to fifteen credit hours. I think Mr. Banner knows what I'm talking about  
34 here, so they add an endorsement. You might want to consider as you've identified these  
35 critical shortages, allowing a teacher to earn another endorsement to fulfill one of these  
36 job shortages without having to add a second degree. That's a possible scenario. That  
37 teacher would likely fall into that cap of \$2,000 because they would be taking courses on  
38 a part-time basis.

39 MR. BANNER: I'll make that motion, Mr. Chairman.

40 SENATOR RUFF: The motion being that a second endorsement  
41 would not be considered a degree program.

42 DR. FOWLKES: That you would allow a second endorsement in  
43 one of these critical shortage fields without requiring a degree, a second degree.

1 SENATOR RUFF: Does that allow one second endorsement or  
2 allow a third one?  
3 DR. FOWLKES: One additional endorsement.  
4 SENATOR RUFF: One additional endorsement.  
5 DR. FOWLKES: That you would fund one additional endorsement  
6 in one of the critical shortage areas.  
7 SENATOR RUFF: Does your second fit in with that?  
8 DELEGATE WRIGHT: Yes.  
9 SENATOR RUFF: Any further discussion on that?  
10 MR. BANNER: What I like about that is that these people are  
11 already located in our school system and already in our communities and they're not  
12 going to be leaving. It gives administrators flexibility to get people trained in the  
13 shortage areas they have within their schools. They can better schedule those students  
14 that have that need without having to hire new personnel.  
15 MR. MAYHEW: Do we need to specify the critical areas or do we  
16 go by these or, how do we define that or, do we define that in this motion?  
17 SENATOR RUFF: Steve, maybe you better restate your motion.  
18 MR. BANNER: Just include the four areas: special ed, math,  
19 science, foreign language.  
20 SENATOR RUFF: Those are the critical shortage areas, some  
21 definition.  
22 MR. BANNER: I like critical shortage areas because those things  
23 change from time to time. I don't know how you define critical shortage areas or who. If  
24 we're going to use the amended, are we going to use the administrators because the  
25 principal may say I have a critical shortage of health educators or driver's ed, but I don't  
26 know that we need to get into who or what definition we're going to use.  
27 DR. FOWLKES: It was stated that it came from the Virginia  
28 Department of Education. I'm assuming that based on the number of provisional  
29 certificates and licenses that they issue every year, they compile the critical shortage  
30 areas.  
31 MR. MAYHEW: So, there is a list of critical shortage areas from  
32 Virginia that's already defined as far as the state goes.  
33 DR. FOWLKES: That's correct.  
34 MR. MAYHEW: Why don't we use the state's definition of critical  
35 shortage areas.  
36 MR. BANNER: My motion would be, or in that case would list, I  
37 would list the top five from the Virginia state list of critical shortage areas. That would  
38 include career and technical and the five would change from year to year as far as the  
39 critical areas. My motion would say we use the top five areas.  
40 DELEGATE WRIGHT: Second.  
41 MR. BANNER: Should an English teacher creep in there next year,  
42 then that would include English as well.  
43 DR. FOWLKES: Could I suggest that in the foreign language

1 category, you do foreign language/ESL and that could be either or because many of our  
2 rural areas a second language teacher with that kind of endorsement is difficult to find.  
3 You have to have a foreign language, you have to master a foreign language to be an ESL  
4 teacher. You might combine those two shortage areas into one category.

5 MR. BANNER: We have more and more need for ESL teachers in  
6 rural areas, so yes, I would include that in my motion.

7 SENATOR RUFF: You look like you have a concern on your face.

8 MS. GRIFFITH: If you all are confused, I guess I'm confused on it,  
9 this doesn't count as the top five each year, are you marking this out now?

10 SENATOR RUFF: Those four that you've got marked, special ed,  
11 math, science, foreign language/ESL, are under the second from the bottom criteria of  
12 those teacher applicant proposals we can accept in the future. We voted on that. The  
13 issue before us now, additional endorsement, critical needs as defined by the top five  
14 critical shortage areas defined by the state department of education each year. With the  
15 caveat that we consider English as a Second Language as part of foreign language. Any  
16 further discussion? All in favor say aye. (Ayes.)

17 I think the next issue we have before us is to raise the amount on the  
18 Southwest from more than 1500. That's the first thing. I guess we'd better skip over the  
19 grade point average.

20 SENATOR PUCKETT: We're ready for everything. I guess I was  
21 going to make a motion that we accept the recommendations with the following changes,  
22 GPA of 2.0, we like the third bullet to track, we like what the Southside has done with 15  
23 credit hours, we'd like the bottom bullet to be dropped.

24 DELEGATE JOHNSON: I'll second that motion.

25 SENATOR PUCKETT: I should have mentioned that, we'll leave  
26 that off. We talked about it. The budget item will be left out of that, we'll talk about it  
27 later.

28 SENATOR RUFF: You're talking about 1500 maximum per  
29 student, cumulative grade point average of 2.0, considering fifteen hours as a full-time  
30 student per semester.

31 SENATOR PUCKETT: We'll deal with part-time the same way we  
32 deal with it in Southside, is that a problem Dr. Fowlkes?

33 SENATOR RUFF: Yes, that is a problem because in Southside, the  
34 maximum award is 4,000. In Southwest, because the award has been considerably less,  
35 this past year at \$1200, your part-time students are taking three, six, nine hours and are  
36 using that amount of money for a class, so you don't need that because you're already  
37 below what the part-time is already.

38 SENATOR PUCKETT: That's because we don't have as much  
39 money.

40 DR. FOWLKES: Yes.

41 SENATOR PUCKETT: Then we'll put that bullet back in there, it  
42 raises our budget.

43 DR. FOWLKES: If you require fifteen hours to be a full-time

1 student, that's not really an issue, you don't need that, the number of hours because the  
2 amount of money is \$1500 and it's already below the level of Southside. I don't think  
3 you need nine credit hours, you don't need any of that.

4 SENATOR PUCKETT: At Rachel's suggestion then, I would amend  
5 that and take out the third bullet, unless Southside wants to give us more money.

6 DR. FOWLKES: Chris has brought up a good point that would  
7 work, if you require that they be degree-seeking students or seeking another endorsement  
8 if they are a teacher. That would make sure somebody's not just taking a course because  
9 of the money.

10 SENATOR PUCKETT: I would add that.

11 DR. FOWLKES: A degree-seeking student or working on an  
12 additional endorsement if they're a teacher.

13 SENATOR RUFF: We're talking about raising the award no more  
14 than 1500, GPA 2.0 and limit applicants to one degree program or a second endorsement,  
15 does that cover your motion?

16 SENATOR PUCKETT: Yes, it does.

17 SENATOR RUFF: Any further discussion?

18 DELEGATE JOHNSON: I second it.

19 SENATOR RUFF: Any further discussion on that?

20 DELEGATE JOHNSON: Call for the question.

21 SENATOR RUFF: The question's been called for, all in favor say  
22 aye. (Ayes.) The motion before us, all in favor of Senator Puckett's motion, signify by  
23 saying aye. (Ayes.) Opposed? (no response)

24 MR. STEPHENSON: Mr. Chairman, if I'm not mistaken, when we  
25 began this conversation this morning, JT I think made a motion that we adopt the last  
26 bullet and that was seconded, approved this morning. Am I correct? That Southwest  
27 convert to a forgiveness arrangement similar to Southside.

28 SENATOR PUCKETT: I hope I didn't vote for that.

29 MR. STEPHENSON: Was that your motion, JT?

30 MR. TAYLOR: My motion was the added curriculum that we added  
31 this morning,

32 SENATOR RUFF: Just Southside?

33 MR. TAYLOR: I'm speaking of Southside.

34 SENATOR RUFF: What's next, there is consideration, did you all  
35 notice there was point two and 1.0 Southside proposal and that caused several problems.  
36 Somebody complained you were getting Southside and Southwest out of whack. The  
37 second is that we put more money into the four-year scholarship program that would be  
38 happening at the same time the total budget was reduced by one million. What I raised  
39 for discussion, to take \$1.2 million and that would be designated for scholarships to the  
40 community colleges and it would be administered by the Southwest Higher Ed Center  
41 and that would be in lieu of any, no longer would the community colleges be given a set  
42 amount for those scholarships to go with their foundation.

43 MR. STEPHENSON: Is this what you're speaking to?

1 SENATOR RUFF: Yes.

2 DELEGATE WRIGHT: Mr. Chairman, please go over that again for  
3 me.

4 MR. MAYHEW: Me, too.

5 SENATOR RUFF: We would not add anything to the Southside and  
6 Southwest scholarships which is on the first two recommendation screens that are up  
7 there. It would put \$1.2 million into the fund for the seven community colleges for  
8 community college scholarships and that would be handled through the Southwest Higher  
9 Education Center.

10 DELEGATE WRIGHT: What would be the guidelines of how this  
11 is distributed?

12 SENATOR RUFF: That would have to be worked out. I think it  
13 would be very similar to the way it is with each of the seven community colleges now,  
14 where the student applies, they go to the financial aid department, they fill out  
15 applications for any federal money or other monies available and then the last resort  
16 would be Tobacco Commission money.

17 DELEGATE WRIGHT: What's the advantages of doing it that way?  
18 Rather than giving the money to Southside and giving the money to Southwest and  
19 dividing it up. Are you going to put it all in one pot, I'm not saying I'm opposed to it, I  
20 just don't understand it.

21 SENATOR RUFF: I think it gives us a little more control and more  
22 knowledge of what's happening and maybe a little more consistency across the board.

23 SENATOR PUCKETT: Mr. Chairman, I'm just going to say that  
24 community colleges, and I'm not speaking for any particular one but, there's been at least  
25 some concern that the individual amounts that have gone directly to the community  
26 colleges have maybe not been used as well as they could have been. That's not to point  
27 the finger at anyone, we don't know that because we have no way of following up and  
28 checking that. I asked in Southwest, Dr. King, we're spending all of our money and  
29 making sure that it goes to tobacco scholarships. I don't doubt that. I do know from our  
30 own community, I think Joe would support this, of all the comments I've had that we  
31 spend our money for, with the exception of the indemnification part that goes directly to  
32 the farmer, that the scholarship program has been the best program that we've done for  
33 Southwest. I think what we've heard and we like to have a little bit more accountability  
34 from the community colleges about the specifics of what's happening. I'm like the  
35 Senator, I'm not going to yield and I'm on a roll and I'll be right back to you. I don't  
36 mean that disrespectfully. I don't think anyone is saying anything has been done wrong  
37 with the money, the problem is we have no way of accounting for it, we haven't asked for  
38 it is maybe the right question.

39 We've been very pleased and very successful with what's happened at the  
40 Higher Ed Center of tracking the dollars that we've put in the higher education category.  
41 Recognizing that we have less money this year already, we're trying to get maximum  
42 mileage out of it, we think this might be a way to do that. The competitive line there  
43 gives you an opportunity for more money if you are successful in however you want to

1 try to use it. I'm going to say what we're looking at right now is not chiseled in stone,  
2 but we're trying to be a little more accountable and responsible for what we are doing  
3 with the education money. We've had a little bit of criticism over that. It's on the table,  
4 I'm glad you're all here, because we certainly want to hear from you and if you would  
5 identify yourselves and speak on the podium, we'll try to answer any questions and be  
6 glad to hear your comments.

7 MS. SMITH: I'm Katherine Smith, vice president of institutional  
8 advancement at Patrick Henry and executive director of the foundation. The community  
9 colleges are very grateful for the support that you have given us over the past four years.  
10 We just can't sit here and be told that we're not accountable. I'd like to ask you to please  
11 listen to this. We are very accountable, we file annual reports that shows what we have  
12 done with the money, we submit spending plans in advance and it has to be approved  
13 before we can get the money. We have audits that you have paid for, auditors that you  
14 have sent to the various colleges and we receive the money on a reimbursement basis.  
15 We have to submit invoices, receipts, purchase requisitions. All that is really carefully  
16 scrutinized. We believe we are completely accountable and if we're not giving you  
17 enough information, please ask us, let us know and we'll certainly supply anything that  
18 you would like.

19 To make this change would be a disaster, I think, for the community colleges  
20 and I'd like to give you a couple of points that have been passed on to me from various  
21 schools. We need to have funds available on an as needed basis for the few hurdles to  
22 overcome. Community college students are at risk, they will not fill out long scholarship  
23 forms, they will not come back after a long waiting time to see if they're going to receive  
24 an award. If students that are employed will go away if they do not know immediately  
25 whether funds are available to support their enrollment. It would be a disaster if you  
26 were to make this change.

27 It would complicate things unnecessarily to switch the administration to the  
28 Southwest Higher Ed Center. They've already got their hands full with what they've got  
29 to do and you'd be ingesting another layer of bureaucracy between the students and the  
30 money. They do a great job, but they are in the business of promoting Bachelor's,  
31 Master's and Doctoral programs. Why not let the community colleges do what we do  
32 best, which is serving our students directly? I would urge you to please consider this  
33 carefully. Why would you make this change when the programs we have are so  
34 successful? At the community colleges, you're getting a bigger bank for your buck. Four  
35 thousand dollars at our school will buy you ten times as much as it will at a four-year  
36 school. I believe the community colleges are your best asset, training, re-training,  
37 workforce development, meeting the needs of new companies coming in, companies that  
38 we may attract. I urge you to please, please consider this carefully.

39 SENATOR RUFF: This is not proposed to suggest in any way to  
40 cause conflict. As it was first laid out it was to put five million dollars in the scholarships  
41 and I was thinking the community colleges would be concerned about the four-year  
42 colleges trying to grab it all. That was my thinking to try to prevent that from becoming  
43 a controverted issue. It's not set in stone, we can talk about it. Does anyone else want to

1 say something?

2 MS. ELKINS: My name is Mary Jane Elkins, Southside Virginia  
3 Community College. I want to tell you one of the advantages of our being able to  
4 administer our own funds for a scholarship program. Number one, it doesn't cost you  
5 anything. You don't have to pay any staff time, we administer it. We have the tools right  
6 on campus. When a student comes by my office or the financial aid office, we are able to  
7 tell them pretty quickly whether or not they qualify and they don't have to go through  
8 another entity. Sometimes I wish our students were more sophisticated, sometimes I wish  
9 they knew in June whether or not they were going to be able to go to school in September  
10 or the end of August. They don't always know this.

11 One of the best things about the money that we have received from the  
12 Tobacco Commission has been our ability to leverage other funding. We have  
13 encouraged people to go to school and I know because we get people on campus to talk  
14 about the scholarships, the Tobacco Scholarships. We encourage them to file the  
15 financial aid form and they may not even use your money, but they have ended up going  
16 to school and getting some training because of the initial Tobacco Scholarship. The only  
17 thing I can tell you is that I know my students who are on Tobacco Scholarships, I work  
18 with them daily, day in and day out, and I follow what they're doing. I sit down and if  
19 you don't pass this English course, we're not going to pay you to take another English  
20 course. I submit to you that we give them the personal attention. We do file reports. I  
21 sent a list to Britt Nelson yesterday of every student who has received Tobacco  
22 Commission funding. You get the information, you all may not get it, but the Tobacco  
23 Commission gets the information on every student. We're audited and our files are  
24 certainly open.

25 SENATOR RUFF: All the community colleges are the same size  
26 and shape and get the same amount of money?

27 MS. ELKINS: I'm kind of like Mr. Johnson and Mr. Wright who  
28 don't want to agree or disagree with each other. I think all of the community colleges are  
29 serving their area in the way that they think is best. Sixty percent of the students who  
30 graduate and go onto college in our service area, they go through the community college.  
31 We're serving the students right there in the area.

32 SENATOR RUFF: On average, annually, how much is given in  
33 scholarships?

34 MS. ELKINS: On average, we give about 150,000.

35 UNIDENTIFIED: Seventy-five.

36 UNIDENTIFIED: A hundred.

37 MR. MAYHEW: Does that include foundation grants on top of  
38 tobacco funds?

39 SENATOR RUFF: Scholarships, I assume that's going to be a  
40 foundation.

41 UNIDENTIFIED: 74,000.

42 UNIDENTIFIED: 86,000

43 UNIDENTIFIED: At Virginia Highlands, 100% of 400,000 is in

1 scholarships. That also includes GED scholarships, vocational training scholarships.

2 UNIDENTIFIED: At Southwest, we're 100% 400,000 for  
3 scholarships. We have expended the \$400,000 allocation.

4 UNIDENTIFIED: At Mountain Empire, 74,000 from our  
5 foundation. We used all 400,000 for scholarships.

6 MR. MATLOCK: I don't want to repeat what my great colleagues  
7 from Patrick Henry stated so well. I'd like to address a little bit about the funding. I feel  
8 like the decrease in funding for the students in the community college areas, we may be  
9 keeping some students out of school, for example, that currently the Virginia community  
10 college system, it comes from the State Higher Education Council. Currently, there's  
11 more students enrolled in our Virginia community colleges than there are in the four-year  
12 colleges. More students are choosing community colleges than they are four-year  
13 institutions. We recently added some more programs, and we're going to pick up the  
14 third and fourth year level. We're relying on the community colleges to train those as  
15 freshman, sophomores and therefore, by decreasing our current funding we will need  
16 additional funds to take care of the freshmen and sophomores for those third and fourth  
17 year programs. At Virginia Highlands Community College, I think I can speak for all  
18 Southwest Virginia, if I tell you that over 70% of all students who graduate from high  
19 school in Southwest Virginia use their local community college over their four-year  
20 institution. And Southwest Virginia, in the markets that we serve about 50% of our  
21 students come from families that are within 150% of the poverty level. The median  
22 income of the students we serve in Southwest Virginia is about 11,000 lower than the  
23 state average. In Southwest Virginia 23-25% of the students come from families where  
24 the parents would be considered illiterate. The state average is only 11% and the national  
25 average only 10%. We serve a very needy market and unique market. I really hope that  
26 you can find away, but either shift or from that competitive money, put it over there for  
27 the community college people because you're getting a greater amount of value for the  
28 dollar that you spend.

29 SENATOR RUFF: How many students are in your school?

30 MR. MATLOCK: I have approximately 2750 students and that's a  
31 fall head count. We're about in the middle when it comes to the size of the local  
32 community college. We'll educate about a 1000 head this summer.

33 SENATOR RUFF: How about in the Southside?

34 MS. ELKINS: About 3,000 roughly.

35 SENATOR RUFF: What's the poverty level?

36 UNIDENTIFIED: I got my data from the latest census.

37 SENATOR RUFF: Explain to me why you all are about 100,000  
38 and you're about 400,000 in scholarships.

39 MR. MATLOCK: We try to serve the tobacco families and Mr.  
40 Johnson can correct me if I'm wrong, and I believe in Washington County, Virginia,  
41 which is 80% of my market, we happen to have the highest Burley producing numbers in  
42 the state per capita. We have a tremendous number of applicants, who are not only  
43 needy, but also come from families who have quotas.

1 SENATOR RUFF: You have four times more Burley growers in  
2 your area than half of Halifax, Mecklenburg, Brunswick, Greenville, Dinwiddie,  
3 Cumberland, Buckingham, Prince Edward?

4 MR. MATLOCK: No, all I meant to say that 80% of my market,  
5 I'm responsible for serving.

6 SENATOR RUFF: I understand that, but because the three in  
7 Southwest Virginia were spending 400,000 on scholarships. The four from Southside  
8 Virginia range from 75 to 150. Somebody tell me what that means.

9 MR. MATLOCK: I can only speak for Virginia Highlands  
10 Community College and I know that market very well. We also lead the state, especially  
11 Southwest. When a student applies for financial aid, they're assigned a need based on  
12 family income compared to the rest of the world. Southwest Virginia Community  
13 College and Mountain Empire Community College, lead the state of Virginia in the  
14 number of zero EFC's. That means when they fill out the financial aid forms and the  
15 federal government says that family has zero dollars to help their child. In fact, I think  
16 they have over a thousand of those in Mountain Empire and probably over 1,000 at  
17 Southwest Virginia Community College. They're serving as well as Virginia Highlands a  
18 very needy population. When the state of Virginia starts dividing up their state grants,  
19 Mountain Empire and Southwest and Virginia Highlands and Southside, we lead the state  
20 in need. Mountain Empire is defined by state regulations and serves the neediest  
21 population in the state. Southwest is right there with them. Not only do we have in  
22 Washington County, the largest number per capita of Burley tobacco quota holders,  
23 they're also pretty poor.

24 SENATOR PUCKETT: Mr. Chairman, just to comment on that.  
25 Four leading Burley regions are Washington, Scott, Lee and are served by Mountain  
26 Empire, Southwest and Virginia Highlands.

27 MS. COPENHAGER: My name is Bonnie Copenhager, and I do  
28 work for the foundation at the community college. I wanted to give you some numbers  
29 today, give you a perspective about how these dollars have impacted us. If you  
30 remember, in 2001, which was the very first year, we received a little over 800,000  
31 money that year. There were 1,054 unduplicated tobacco family members that attended  
32 Mountain Empire Community College. In 2001 and 2002, the same size grants, we had  
33 1,308 unduplicated students. In 2002 and 2003, we had a \$400,000 grant, had 873  
34 students. This past year, we had a \$400,000 grant and we had 643 students. The 648  
35 students represent 15% of our total enrollment. If we look at the 648 students, 138 of  
36 them were first time college students. Mountain Empire reaches out to a lot of what we  
37 call first generation college students. Their parents have never been to college and no  
38 one in their family had ever been to college. Unless you've dealt with students like that,  
39 or seen them or talked to them, you don't realize what a scary place college is for those  
40 people. They cannot go home and say this class is giving me trouble, what do I do, they  
41 don't know how to ask for a tutor, they don't know how to apply for financial aid, there's  
42 no one there to help them. Because they can come to Mountain Empire and we can serve  
43 them on the spot and we don't have to send them to another entity and we can explain

1 everything to them all at one time. Then we stand a better chance of enrolling those  
2 people and helping them to be successful.

3 Of the 648 students, 497 of them, or 76% are sons and daughters of the actual  
4 leaf holders. And 21% are the owners themselves. Approximately 2% are tobacco  
5 workers. Of those students as well, 25% of them are in a college transfer but 41% are in  
6 occupational and technical programs, which means when those students graduate from  
7 Mountain Empire, they are ready to go to work and we are more hopeful that they will  
8 stay in our region and go to work. Some of those students are dual credit, they are high  
9 school students and they are already taking college credit during their senior year. About  
10 15% of them work as unclassified students. 29 students are in computer-related  
11 programs and that includes computer software specialists and computer repairs, we're  
12 hoping those students will find jobs in our service region. Whatever they were majoring  
13 in, we do hope to be able to keep those students in our region, give them jobs.

14 MS. BUSHELL: I'm Barbara Bushell from Southwest Virginia and  
15 I'm from Southwest Virginia Community College. I'd like to echo Bonnie's thoughts, we  
16 are appreciative of what you do for us, you've done a good job in distributing the funds.  
17 We also have a large student population. Nearly 70% of our students are on financial aid.  
18 We look at the Tobacco Commission funds as a last resort for our students who are not  
19 eligible for other financial aid. If that's the case, we try to provide them with Tobacco  
20 Commission funding. We have expended all of our 400,000 last year in that allocation. I  
21 didn't bring specific figures with me today, but the first year we had Tobacco  
22 Commission funding we served over 700 students. The next year over 1300 and I think  
23 this year over 700. We do train truck drivers and nurses, IT people. We do other things,  
24 too, but we appreciate what you've done and I'd ask if you would please continue to  
25 support us.

26 SENATOR RUFF: You all can make the case over and over again  
27 and no question about that. I'll ask you to take off your community college hat for a  
28 minute and put on your hats as citizens of Southwest and Southside Virginia. Understand  
29 this is what we have to work with. It's not going to get any higher and in future years  
30 will probably will get lower. Work with this as to what the most productive way of  
31 spending this money is. We put hundreds of thousands in scholarships but it seems like  
32 to me every one of you all have put a proposal in there to a competitive bid process, you  
33 all spoke very passionately about it in the past. Every dollar that goes into scholarships,  
34 that won't go into the competitive process. You all help us decide, are those programs  
35 we've gone into, the medical, the nursing program, like that, are they an asset to the  
36 community you live in? That's the issue we've got before us right now. Does anybody  
37 want to address that?

38 DELEGATE JOHNSON: Mr. Chairman, I'm wondering what kind  
39 of red tape are we putting on the community colleges and higher education center and  
40 what about the cost. Does it add another layer of government, so to speak. I think the  
41 money could be better spent on scholarships than administration. Another thing I think  
42 about is recreating a turf war between the different educational institutions. I'm  
43 wondering how did this come about. I've never heard it discussed before, it's new to me

1 today. I don't remember it being mentioned, and I understand what Senator Puckett said,  
2 his comments, but I'm wondering what is the genesis of this or what brought it about and  
3 whether or not we're heading in the right direction. The educational facilities are not in  
4 competition. This might create a situation that, one that may be able to call the shots over  
5 the others.

6 SENATOR RUFF: Joe, the genesis, the difference between '04 and  
7 '05, a one million dollar difference. If we continue as we did last year, 400,000 per  
8 school, takes a big chunk out of that, leaves us with somewhere around 1.4 million in  
9 competitive grants. If that's the rule of this Committee then that's what will happen but I  
10 think it should be honestly and openly discussed with the people in the room today and  
11 whatever we conclude about it. I appreciate the checks they draw from their schools, but  
12 also good solid citizens of our regions and they have invested their lives in our  
13 communities and I thought we should discuss it like that.

14 MR. RAMSEY: I'd like to make a couple of comments, I don't plan  
15 to repeat what has already been said. It gets a little bit to what Delegate Johnson  
16 mentioned. I'm going to try to take off my community college president's hat, it's not  
17 one I like to take off but I will, as a taxpayer and citizen of our region. I've heard the talk  
18 about some concerns and I wish that the money factor is one we cannot deny. But there  
19 are some concerns about the scholarships and I wish we would know what they are so we  
20 could fix any problems. So somebody would be responsible for it so it could be  
21 corrected.

22 Let me move to another concern. I have 32 people in the foundation. We have  
23 a scholarship reception every September. We give out in addition to tobacco  
24 scholarships, we award about 150 other scholarships. Our foundation pays for that  
25 reception. It's not extravagant, but it's nice. We have private citizens who invest their  
26 money in something like this to recognize students. Not only freshman, but students who  
27 have improved themselves. We always recognize those tobacco recipients scholars the  
28 way we do for somebody with XYZ Bank or business or an individual who has endowed  
29 a scholarship. I would submit to you there's no way that another agency could do it that  
30 way. That's one of the advantages of having your community college. It is your  
31 community college and I'm a citizen of a particular area, it's your community college.  
32 We take that very, very seriously. How do we recognize the students' success and  
33 families and we have some families where they all stand up. We have about three  
34 hundred and some people and you just can't do that with some other entity. Whether  
35 they're in Richmond, Northern Virginia or Abingdon or Danville. You just can't replace  
36 that local recognition and touch from local leaders, including business leaders.

37 We've adjusted from 850,000 to 400,000. I was reluctant to speak, I think I  
38 want to speak on that last one, too. It's symbolic and it's really about how we treat  
39 individuals, who in many cases first generation of college, we have students who are on  
40 the tobacco scholarships who would not have come to the community college. There  
41 may not be many, but some.

42 Let me add one more thing. Beginning next week, either I or Martha Walker,  
43 our academic VP, will be going to every high school recognition program. We go to all

1 of their award programs. We also go to the private ones as well. We award these  
2 scholarships along with other scholarships. When I call those tobacco recipients forward  
3 in the gym at Chatham High School, they're recognized by their peers and their fellow  
4 students. Those family members, in all due respect to Rachel, if she can't do that.  
5 There's no way that she can do it, but we can. It creates an enormous amount of pride in  
6 one's community. If it's not broken, let's see if we can fix it another way.

7 We'd like to join you in trying to correct any kind of concerns, rumors, and  
8 whatever that you have heard about the way the programs have been administered. I'm  
9 talking about the stewardship now, because I'm also part of a tobacco family. I feel this  
10 as passionately as you do. We recognize the decline in resources, we sympathize and  
11 understand the type of decisions you have to make here. I hope you will think real  
12 seriously about moving it away from the people that care the most about tobacco farmers.  
13 I think there's some folks on my foundation board that would say what happened to the  
14 tobacco scholarships, oh, they're administered somewhere else. They bought into this  
15 and they feel as passionately about it as I do. Thank you.

16 SENATOR RUFF: Don't sit down. You said you wanted to talk  
17 about the competitive side, you might as well do it while you can.

18 MR. RAMSEY: Keep going. I'll start by saying that I understand  
19 the kind of dilemma you're facing. Daunting challenges that you face. We hope we  
20 don't have another judge somewhere issuing capricious orders to punish the tobacco  
21 companies, because that punishes us, too. I'd also like to say that this Tobacco  
22 Commission has done this better than any state that was involved in the settlement  
23 agreement. I appreciate your wisdom and vision on this. We started with an allocation of  
24 857,000. Those of you in the General Assembly and private sector leaders know that we  
25 were facing some really serious problems. There's some equipment we acquired three or  
26 four years ago for some of our programs that we would never have seen had it not been  
27 for you. We are in the cheering section for what you've done for us. We adjusted from  
28 857,000 to 400,000 and some of us used that 400,000 part for scholarships and part of it  
29 for program development.

30 We respect our friends in Southwest Virginia for the decisions that they made.  
31 They made decisions that are best for their communities and I think that's what this  
32 Commission is about, to allow us to make decisions that have the greatest impact on  
33 community. I would implore you to go beyond the scholarships to consider continuing to  
34 allocate a certain predictable stream of money. We will be accountable and we don't  
35 mind the competitive bids. The predictable annual allocation allows us to plan, make  
36 decisions not just on the citizens for financial assistance but also in the programmatic  
37 area as well. We understand you're not in the business of sustaining, but I can tell you  
38 that we have launched some programs that we could have never done without your  
39 support. I would urge you to consider continuing to have an allocation and when it gets  
40 down to \$49.67 we understand. That allocation isn't for me or Kathleen Smith, it's your  
41 community college.

42 I'm speaking for all the other presidents now. I pledge to you that we will  
43 continue to use that money in areas that will be retaining or creating jobs or preparing

1 people to, so that those jobs will be retained. I look at this as economic development  
2 investment. When we know we have a certain amount, we can make those plans that we  
3 think will be effective and we won't spend any of this money without consulting our  
4 economic developers and our other leaders and that's how important it is. I want to thank  
5 you for your time and your past support. I think the competitive issue is a good place,  
6 but I'd like to also argue for the allocation for the colleges.

7 SENATOR RUFF: You're saying you believe that the entire million  
8 dollars plus should come from the competitive part, is that what I understood you to say?

9 MR. RAMSEY: Yes, I would like to see the million moved out of  
10 the competitive to the community college, yes. I think you'd get your investment many  
11 times over.

12 SENATOR RUFF: A big part of the competitive part has gone to the  
13 community colleges. We're really not talking about so much taking it away, really how  
14 we allocate it.

15 SENATOR PUCKETT: I think I probably owe an apology to  
16 Rachel and her staff. I sort of put them in a bad spot and there's not animosity but there's  
17 a competitiveness about who's going to do what and who can do it the best. I really  
18 shouldn't have done that. Rachel, I apologize for that. I do want to address a couple of  
19 things, about the issues that we've been challenged with a little bit. I think Dr. Ramsey,  
20 you have answered a question. I want to say in Southwest, I'm very proud to hear that  
21 400,000 to each of the colleges has gone to scholarships. When you look at the  
22 community college money and you say it's for scholarships and I hear that not all of it  
23 has been spent for scholarships, this is none of my business, but we get a little criticism  
24 because the money was not used for scholarships. Quite frankly, I would rather the  
25 community colleges come and say we don't need the extra scholarships, but we really do  
26 need X number of dollars to start these new programs and do these other things that we  
27 need to do. I think that was part of our thoughts in the competitive process. If you got  
28 those kind of programs and you can make a good case for them, then I don't think you'll  
29 find this Commission turn a deaf ear to you. I've had more calls about the community  
30 college scholarship programs in my area than anything we have done outside of the  
31 indemnification program. What I have trouble explaining to people when they ask me  
32 how come 400,000 was given for scholarships and not used for that. I don't want to point  
33 fingers at anyone because I'm kind of ignorant of this, but I don't know why. I don't  
34 know why the choices were made. When we say we're giving 400,000 to the community  
35 colleges to fund for tobacco scholarships, in my opinion, that's what it ought to be spent  
36 for. If I've misunderstood something here this morning, it is being spent for that, I think I  
37 heard it was spent for other things. There's not a bigger supporter of the community  
38 colleges who are in the Commonwealth than I am. I've said that publicly on many  
39 occasions and I'm still a big supporter. This Commission is dealing with a million  
40 dollars less money and probably going to be less than that the next time around. In fact,  
41 we don't even have that money yet. We're obligating money here today that next April,  
42 we may not have. I know you understand that. In accepting what we give, you're kind of  
43 out on a limb there and we hope we can honor that and we certainly want to plan to do it.

1 I think I owe an apology to all the community college people sitting here. I did not mean  
2 that you were misusing money in any way, but what I think I meant is what I just said.  
3 There is money that we said would go to scholarships, I felt maybe not all was going to  
4 scholarships. I think I heard today it was used for other programs. That's okay if that's  
5 what you want to do with it, I think the Commission needs to at least hear that. The  
6 competitive nature of the money that's up there, if the community college people came  
7 and said to me, we'd rather have the 400,000 and we'll spend it on scholarships, then I'll  
8 vote for that.

9 DELEGATE WRIGHT: Mr. Chairman, I was not on the Committee  
10 when this Committee divided the money up among the community colleges. Was that the  
11 understanding that it would be used strictly for the scholarships or was the appropriation  
12 per community colleges?

13 SENATOR RUFF: The first year was \$6 million divided seven  
14 ways, no accountability at all and none of us actually were very happy and we asked in  
15 future years that there be an accounting of what was done with the money and what it  
16 was used for. They've done a good job with that, no question about it.

17 DELEGATE WRIGHT: So, there's nothing wrong in my  
18 community with the entire appropriation being used for scholarships?

19 SENATOR RUFF: No.

20 DELEGATE WRIGHT: That was kind of the impression I got that  
21 the community colleges were expected to use it all for scholarships. If the understanding  
22 is they can use –

23 SENATOR RUFF: The requirement, at least in the next couple of  
24 years, tell us what they plan to spend the money for and I don't think we said any of them  
25 didn't make any sense.

26 DELEGATE WRIGHT: I don't doubt that everybody in this room  
27 doesn't believe that the community colleges have done an outstanding job. I think  
28 everybody knows that and realizes that. In my particular area, I know firsthand the job  
29 that they do. My son started in the community college and he wound up being an  
30 instructor and got his Master's degree from VCU. I'm very supportive of the community  
31 colleges. I just want to understand the reason for the change in the administration of the  
32 funds. I don't understand what is the advantage of changing the way it's been done.

33 SENATOR RUFF: I think there can be arguments made on both  
34 sides. There may be some advantages and efficiency in one versus the other. It may be  
35 more personal contacts with the community colleges.

36 MR. MAYHEW: I just want to say I'm new to the Commission, I'm  
37 just beginning to get a grasp of what we're trying to do. And I've been thinking about  
38 this a great deal in the last few days and the more I hear, and I'm just thinking now from  
39 Danville Community College, I've had some direct contact with some of these people.  
40 They invited me over some months ago and made a presentation and gave me records of  
41 their spending going back three or four years, answered any questions I had, opened their  
42 books and said this is where your money is going. Even took a couple of trips out to the  
43 local facilities that were there. It made me feel very strong that every penny they've

1 gotten was well spent and needed. I think they have presented a very good picture here  
2 today and I know they want to continue getting their allocation. I also know we're  
3 dealing with less money.

4 The more I've heard today, the more I'm convinced I feel like that the one  
5 thing I really have to say is, I'll say it. I think some of the Southside community colleges  
6 that have not been spending a large part of the money on scholarships might do a little bit  
7 better job, might keep the sign-up periods open during certain times of the year. I've  
8 heard a few comments or certain parents have called and said sign-up date is such and  
9 such, try and had a little bit of a problem of trying to get through to get the sign-up period  
10 straight. I think some improvements could be made there. Maybe not, but that was just  
11 my feeling and what I'd heard. And if we could do that and emphasize the scholarship  
12 aspect of it, maybe a little more than has been. I feel like we need to continue on the path  
13 that we're on.

14 SENATOR RUFF: Certainly, it would be easier on this Committee  
15 if we didn't have the competitive round at all. But that is before this Committee. The  
16 question before the Committee is how you want to deal with it. Anyone else have  
17 anything to say?

18 MR. MATLOCK: I'm going to take my community college hat off.  
19 I moved to Southwest Virginia about 21 years ago. I've been a farm boy all my life,  
20 Burley tobacco. One day I had five acres and I found out me and my two children had  
21 more than we could handle, so reduced that to about an acre or an acre and a half every  
22 year. I want to say thank you as a citizen because my children, my wife and myself have  
23 benefited from this program, both the Southwest money and the community college  
24 money. My children went to the Virginia Highlands Community College and received  
25 credits that were paid for by the Tobacco Foundation. My son will be a senior at the  
26 University of Virginia College at Wise, and he'll be in special education. We thank you  
27 for the money he got and the money that hopefully he will get next year. My daughter  
28 will be a junior there. She's an elementary education major. They both hope to continue  
29 their careers and settle in Southwest Virginia forever.

30 As a citizen, I want to talk about that 1.2 million, if I was not a community  
31 college employee, I would say my children already have two years of education. My  
32 wife, she's getting her education through Radford University, she already has a  
33 Bachelor's degree. I know I've been very blessed as an individual. As a citizen, I would  
34 hate to see people that have not been as blessed as I have, but want to go to the  
35 community college and not be given the opportunity because of the money and only 1.2  
36 million. I can only speak as a citizen and just for me, I'd gladly give up the money my  
37 children are going to receive and my wife's going to receive if I continued in my studies,  
38 if it's going to keep somebody or affect someone with a zero EFC, a very needy family  
39 and they need the community college money. I happen to know that, as a citizen, 70% of  
40 the students in the community colleges over the four-year institutions in Southwest. As a  
41 citizen, I don't understand keeping the money from the community colleges. If I can take  
42 30 seconds and put my community college cap back on, I would answer Senator Puckett  
43 and say that if he gave Virginia Highlands that 400,000, we'd spend every penny of it on

1 scholarships. Thank you.

2 DR. FOWLKES: The community college scholarships, at least in  
3 Southwest Virginia, are need-based scholarships. They close the gap for funding that's  
4 available through federal and the state and other scholarship opportunities. In other  
5 words, the last mile, the last dollar. The four-year scholarships don't do that. There are  
6 students that receive a four-year scholarship who have no need whatsoever. It may help  
7 their family financially, not to carry as large a debt on their education. We do know there  
8 are students that receive a four-year scholarship that can well afford to pay their own  
9 tuition to go to college. When our colleagues are speaking about 70% of the students that  
10 go to community colleges and the numbers of them in Southwest Virginia who have that  
11 need, I think you should understand how important this scholarship money is at the  
12 community college level. I'm not familiar with the Southside demographics, but I think  
13 you do know the dollars that you are putting into this scholarship program in Southwest  
14 Virginia are going to the students who are the neediest.

15 MR. TAYLOR: Mr. Chairman, I think we've had a very good  
16 discussion here and it's been worthwhile. We need to get on with a solution. I would like  
17 to put in front of the Committee a motion to transfer \$790,000 from the competitive to  
18 the community colleges. That would give each of the seven colleges \$250,000 forever as  
19 they have the 400,000.

20 SENATOR RUFF: I'm sorry, what was the last sentence you said?

21 MR. TAYLOR: That would give each one of the community  
22 colleges, or the seven, 250,000 each versus the 400,000 they had last year.

23 DELEGATE WRIGHT: Mr. Chairman, I could amend the motion.

24 SENATOR RUFF: Is there a second to that motion first? Hearing  
25 no second, we'll go to the amended.

26 DELEGATE WRIGHT: I agree with my friend, Mr. Taylor, but I  
27 would increase that and make it 1.6 million to go to the community colleges, which  
28 makes it equal to last year, which in effect would lower the competitive line to 1.4.  
29 Motion is seconded.

30 SENATOR RUFF: You're saying 2.8 for the community colleges,  
31 reducing competitive to 1.4 and the 2.8 would be divided how? Between seven schools,  
32 which would give you 400,000 per school. That's what you said that's before us for  
33 discussion?

34 DELEGATE JOHNSON: That's the same that they received last  
35 year.

36 MR. MAYHEW: Second.

37 SENATOR PUCKETT: Tommy, I don't know if it's necessary, but  
38 you might want to include in your motion that that be administered by the community  
39 colleges.

40 DELEGATE WRIGHT: I accept that, appreciate that.

41 MR. MAYHEW: Second.

42 SENATOR RUFF: Any further discussion? All in favor say aye.

43 (Ayes.) All right.

1 Fully understand now, that going back to what's been said, you'll have  
2 lawsuits, you're risking that money that you commit for, just like we're risking it. If we  
3 don't get it, you are not spending it. I don't know what you're all going to do then. It's a  
4 dilemma that, it could be a dilemma that Ned keeps hitting me over the head with, we're  
5 committing money that we do not have, I just want you all to be fully aware of that.

6 We have a proposal of an application deadline of 4 January. One Committee  
7 would meet the fourth of January.

8 MR. STEPHENSON: If we follow the pattern we have in the past,  
9 we take the Commission meeting date of January 11<sup>th</sup>, we start back about a week ahead  
10 of that. The Committee would meet and this is the competitive grant only.

11 SENATOR RUFF: I thought that date was going to be changed, but  
12 if that's what you all came up with, then I'll entertain a motion. Does anyone want to  
13 make a motion that the applications will be required on 12-1? It's been moved and  
14 seconded, all in favor say aye. (Ayes.) We'll review those on the fourth and the full  
15 Commission will be a week later. Do we have any other business before us?

16 MR. STEPHENSON: Gentlemen of the Committee, we have been  
17 awarding these scholarships now for several years, and in the case of Southwest they are  
18 grants and not loans. Once the grant is made, there's nothing else to do. In the case of  
19 Southside, there are loans and by virtue of being loans there is required what we  
20 commonly call loan servicing where you have to track it, collect the payment and if  
21 there's forgiveness, you have to determine whether it should be forgiven or not. We're  
22 really not set up within the staff of the Commission to do that.

23 At this point in time, we're just now having some of the award recipients  
24 getting out of school and entering the phase where the loan must be repaid. The question  
25 arises as to where the best place is to put the loan servicing. A couple of options before  
26 you is that one of them is for us to ask the Virginia Department of Education to perform  
27 the loan servicing for us. They are set up and have the machinery. They do it for many  
28 other programs and they know how to do it. They have a whole collection process set up.

29  
30 A second alternative would be to ask Southwest Virginia Higher Education  
31 Center to do the origination of the lending of the money and also do the servicing, but  
32 they are not now so engaged. The Commission has a fiduciary duty to service these  
33 properly. In my view, to have a memorandum of understanding or an agreement that  
34 explains what the responsibilities are and what the Commission would expect so that we  
35 are good stewards of these loan monies going forward. These are the two options that  
36 come to mind. I've had conversations both with the Virginia Department of Education  
37 and also Rachel of the Higher Ed Center. I think it would be worthwhile to open this up  
38 for some discussion so we can decide which one would be better.

39 SENATOR RUFF: Rachel, you're not smiling.

40 DR. FOWLKES: One issue to consider, if you go with the Virginia  
41 Department of Education, I think they can adequately handle the teacher loan program  
42 because they already track where teachers are employed. You've opened up your  
43 categories to include accounting, nursing and the other fields. Thinking long term, I

1 don't know if they could do that for you. You might want to think about what the long-  
2 term solution to this issue might be.

3 MR. MAYHEW: What would the associated costs be?

4 MR. STEPHENSON: We haven't gotten that far in terms of getting  
5 the actual costs. Orally and informally, the DOE, there's been some conversation about  
6 doing it at no cost, but one must understand that means that they would not charge, but  
7 they have collection personnel that do charge and that would be passed on to us. The  
8 DOE wouldn't charge us themselves. We don't have definitive costs.

9 SENATOR RUFF: I thought they contracted the work out.

10 MR. STEPHENSON: Yes, the contractors charge.

11 SENATOR RUFF: That would address the issue that Rachel  
12 brought up as far as other professions, as far as collections, that's not part of the service  
13 with the Department of Education.

14 SENATOR PUCKETT: Rachel, I wonder how you feel about being  
15 that entity that services the loans. Is that something you all would like to do or would  
16 you be in a position to do it and follow it up or you do not want to fool with it? We need  
17 to know that. I see you shaking your head.

18 DR. FOWLKES: If you want us to do it, we'll figure out how to do  
19 it and we'll do a good job for you, but it's not something that we are eager to do. We  
20 don't have the expertise to do it right now. Chris and Nancy do all the work and they've  
21 done research looking at different software packages and some ways we might be able to  
22 do it. And we could do it, but it would be something that we would have to learn how to  
23 do.

24 MS. FIELDS: We do collections through the Center anyway, but we  
25 don't do student collections, so it would be a new area for us and there'd be a learning  
26 curve. If it's something you want us to do, we don't mind doing it.

27 DELEGATE WRIGHT: Would there be an advantage in having the  
28 same people that handle the applications to handle the loans?

29 MS. FIELDS: We feel like there would be, because we have data  
30 there at the Center and the files and it's nothing that can't be transferred, but we have the  
31 information already.

32 SENATOR PUCKETT: Is this something we have to decide to do  
33 today, can we wait and get a figure from whoever? I lean towards the Higher Ed Center,  
34 but –

35 MR. STEPHENSON: I don't think so, unless –

36 MS. FIELDS: The only urgency you have is that you have some  
37 students who are graduated who are not teaching. So we'd need to start this process,  
38 you're basically in a grace period if you don't make a decision.

39 SENATOR RUFF: How long would it take you all to get started and  
40 get up and running?

41 MS. FIELDS: We probably would be ready to go and start sending  
42 out collection letters probably in two or three weeks.

43 SENATOR PUCKETT: I move we allow the Southwest Higher

1 Education Center to start that process, the loan servicing.

2 MR. BANNER: I'll second it.

3 DR. FOWLKES: It's not that we don't want to do it, but we want to  
4 do a good job whatever we take on. I guess we're a little hesitant because we don't have  
5 experience here. Four years ago, we didn't have experience administering a scholarship  
6 program. We just want to do a good job.

7 SENATOR PUCKETT: My thought is that they're in a position to  
8 move quicker on this than anyone else. If they do a real bad job, we'll just fire them. I  
9 think they're in a position to move quickly and we have some people that need to be in  
10 that process now. And I think we've learned they're very capable when we give them a  
11 challenge to do, and I think they deserve a chance to do that.

12 SENATOR RUFF: Deserve a chance. We can move forward with  
13 that motion, as an alternative you might want to consider empowering Ned to work out  
14 the details and decide if they truly want to do it or not.

15 MR. STEPHENSON: Mr. Chairman, I think we have a good motion  
16 on the floor. If the staff gets into this with Rachel and discovers that there are significant  
17 reasons for why we would not want them to do it or if they choose not to do it, we can  
18 come back at any time and go in another direction.

19 DELEGATE WRIGHT: I call for the question.

20 SENATOR RUFF: The question's been called for. All in favor say  
21 aye. (Ayes.) Anything else? I have a motion that we adjourn. Thank you all, we  
22 appreciate it.

23

24

PROCEEDINGS CONCLUDED.

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CERTIFICATE OF THE COURT REPORTER

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I, Medford W. Howard, Registered Professional Reporter and Notary  
Public for the State of Virginia at large, do hereby certify that I was the court reporter  
who took down and transcribed the proceedings of the **Education Committee Meeting  
when held on Friday, May 28, 2004 at 11:00 a.m. at the Hotel Roanoke and  
Conference Center, Roanoke, Virginia.**

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

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

- 1
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- 4 My Commission Expires: October 31, 2006.