

1 **APPEARANCES:**

2 The Honorable Frank M. Ruff, Chairman

3 The Honorable Phillip P. Puckett

4 The Honorable Joseph P. Johnson, Jr.

5 The Honorable Thomas C. Wright, Jr.

6 The Honorable Barnie K. Day

7 Mr. Fred M. Fields

8 Mr. John M. Stallard

9 Mr. Bryant L. Stith

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12 COMMISSION STAFF:

13 Mr. Neal Noyes, Executive Director

14 Mr. Ned Stephenson, Acting Executive Director

15 Mr. Timothy J. Pfohl, Grants Program Administration Manager

16 Ms. Britt Nelson - Grants Program Administrator, Southside Virginia

17 Ms. Sarah Griffith - Grants Program Administrator, Southwest Virginia

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1 SENATOR RUFF: Thank you all for coming today. This is
2 supposed to be a little meeting, but for some reason I guess you think it's
3 going to be exciting today, with all the people we have here.

4 Mr. Noyes, would you call the roll please?

5 MR. NOYES: Mr. Banner?

6 MR. BANNER: (No response.)

7 MR. NOYES: Mr. Day?

8 MR. DAY: Here.

9 MR. NOYES: Delegate Johnson?

10 DELEGATE JOHNSON: Here.

11 MR. NOYES: Mr. Fields?

12 MR. FIELDS: Here.

13 MR. NOYES: Mr. Mayhew?

14 MR. MAYHEW: (No response.)

15 MR. NOYES: Mr. Moody?

16 MR. MOODY: (No response.)

17 MR. NOYES: Senator Puckett?

18 SENATOR PUCKETT: Here.

19 MR. NOYES: Senator Ruff?

20 SENATOR RUFF: Here.

21 MR. NOYES: Mr. Stallard?

22 MR. STALLARD: Here.

23 MR. NOYES: Mr. Stith?

24 MR. STITH: Here.

25 MR. NOYES: Delegate Wright?

1 DELEGATE WRIGHT: Here.

2 MR. NOYES: Mr. Chairman, we have a quorum.

3 SENATOR RUFF: Neal, have you been to any meetings
4 before?

5 MR. NOYES: I've been to a number of meetings over a
6 number of years, but never as the Executive Director.

7 SENATOR RUFF: Why don't you say a word or two about
8 yourself?

9 MR. NOYES: First of all, I'm very excited to have the
10 opportunity to work with the Tobacco Commission. I bring a number of
11 years of experience from the federal service in economic development to the
12 table, to the extent that the Commission and Administration want and need
13 me to use that experience. We have a busy schedule going into a full
14 Commission meeting on July 27th. If there is anyone who needs to talk to
15 me, the telephone works, and the e-mail is up, and you know where the
16 office is.

17 Finally, I think this is my third week, and a word of appreciation to
18 the Staff of the Tobacco Commission, Ned, Tim, Sarah, Britt, and everyone
19 that works there. They have been most helpful and most supportive as I've
20 made the transition. I just want to say I'm certainly appreciative of that, and
21 I hope I haven't been too tough. Thank you all.

22 SENATOR RUFF: Thank you. In your packet that you
23 received was the Minutes from the meeting of October 27th. Are there any
24 changes anyone knows of to be made? If not, I'd entertain a motion.
25 It's been so moved and seconded, all in favor say aye? (Ayes.) All

1 right.

2 Rachel, where are you? You're up next.

3 DR. FOWLKES: Good afternoon, I'm Rachel Fowlkes, the
4 Director of the Southwest Virginia Higher Education Center. With me today
5 is Nancy Breeding, who is our Scholarship Administrator for both
6 Southwest and Southside. Kathy Crosby, who is assisting Nancy and Chris
7 Fields, you've met her before, she's the Budget Director of the Higher
8 Education Center. She manages the 3.8 million dollars that we distributed to
9 colleges across Virginia and outside of Virginia for the scholarship
10 recipients from Southwest and Southside.

11 Most of you have in front of you a green packet that has probably
12 more information than you have time to read, but it will certainly give you
13 data to take back home and have at your fingertips when constituents call
14 and ask questions about the Scholarship Program.

15 For the past year we have served 663 people from Southside Virginia
16 with scholarships, and 778 from Southwest Virginia. In the breakdown in
17 your packet on the right-hand side of your folder is all information from
18 Southside, and on the left-hand side of the packet is information from
19 Southwest. It's broken down into the colleges and the four-year institutions
20 where students are enrolled, the amount of money that goes to those
21 colleges. Most of you know the money does not go directly in the hands of
22 the student, but it goes to the college, and the college invoices us for their
23 tuition.

24 Nancy is here to answer any questions or make any comments. I don't
25 know how much time you'd like to spend talking about the current program

1 and some of the changes that have taken place in the program over the last
2 six years. One thing I think that is particularly important that Nancy and her
3 staff have done this past year. Most of you know we were doing a series of
4 career workshops for the Southwest program. We instituted a program now
5 for all students, both Southwest and Southside, that the students take online.
6 They can take it from home, or they can take it from Honduras, or wherever
7 they happen to be located. This is a career workshop. They begin the
8 workshop at a freshman level and go all the way through graduate school, a
9 different workshop each year. Nancy and her staff have worked really hard
10 and very innovative to create this workshop so that the students find out
11 what their skills and interests are at the freshmen level, and it helps them
12 focus on what their major should be, once they identify a major, what career
13 options are available within that major and then as they progress on through
14 school all the way to preparing a resume, and having a summer internship
15 and co-op experiences that support that resume, then, finally, an interview
16 and job. When they come out, we hope they will find employment in
17 Southwest or Southside.

18 They've done an extremely wonderful job this year in trying to market
19 the program, particularly in Southside. I think one of our disappointments
20 over the past few years is the low number of applicants that we've had from
21 Southside. This year they did a very innovative thing, that was making
22 contact with all the high school guidance counselors, and the counselors
23 mailed to every senior in high school. They mailed the information to the
24 family. There is a brochure in your packet that describes the program,
25 eligibility requirements, and how one goes about making an application. As

1 a result of that effort, we saw increased numbers of applications from
2 Southside this year, as well as in Southwest. We think they should be
3 congratulated for that great effort.

4 The hard questions I'm going to defer to them, because they have
5 handled the details of the program. I will say that as we have progressed for
6 the last two years we've had fewer phone calls, and I hope you do, too, from
7 the people that are either dissatisfied or don't know what the Scholarship
8 Program is about. All that information is available to them on the website.
9 It's a year-round function, and students can access it.

10 I'll be happy to entertain any questions, and I'll certainly ask Nancy
11 and Kathy and Chris to make any comments they'd like to add.

12 SENATOR RUFF: Does anyone volunteer? You said every
13 guidance counselor, this information was sent to?

14 MS. CROSBY: Yes, I contacted the guidance counselors. That
15 was every guidance counselor in every county that we sent this information
16 to. They were asked to provide us the number of students they had and these
17 seniors, hoping to provide brochures or get phone calls back and we could
18 provide information. All information I sent out I didn't get a hundred
19 percent response, and it was probably about 80 percent that responded. We
20 had the most applications from Southside that we've had in five years.

21 SENATOR RUFF: Do you have a breakdown by county?

22 MS. CROSBY: Not for the current 06/07 year, we're still going
23 through an evaluation.

24 SENATOR RUFF: I think that probably would give us some
25 indication of how well those guidance counselors are doing; if we need to

1 follow up on them, we will.

2 DR. FOWLKES: We did have applicants say it was the first
3 time they heard about the program, and it's been available now for six years.
4 We do know material reached some families that never had access to it
5 before.

6 SENATOR RUFF: Any questions? All right, thank you.

7 Next on the Agenda is Dr. Greenberg. Are you ready?

8 MS. GREENBERG: I am.

9 SENATOR RUFF: Why don't you give us some description of
10 who you are and why you are here.

11 MR. NOYES: This is Cathy Greenberg, and I have a little
12 biography here for those that don't know her. Cathy is the Executive
13 Director for the Center for Regional Strategies, Virginia Tech. She is a
14 doctoral student in public policy at Tech. She's held positions in marketing,
15 strategic planning, advertising with the *Roanoke Times*, and planning and
16 marketing communications. Most recently she worked as Director of
17 Administration and Planning at Virginia Tech in the Executive Vice
18 President's office and also served as Director of Strategic Planning and
19 Interim Vice President of Development at Hollins University.

20 MS. GREENBERG: Thank you. The only question I have
21 before I start is, does everybody know the story about my foot and my leg?
22 We can dispense with that. I'd also like to introduce Ryan Lanham. He is a
23 colleague of mine, and he is the research director and a doctoral candidate
24 on public administration, currently doing field work on his dissertation
25 where he is traveling across the southeast working with community

1 foundations, and Education is high on their list, you will be interested to
2 know, as well.

3 Ryan, would you like to say anything?

4 MR. LANHAM: No, I think you covered it.

5 MS. GREENBERG: Before we start, I also want to recognize
6 Rachel and Chris and Nancy, because they were very helpful to us as we
7 were pulling together a lot of research in showing some of the results we're
8 going to talk about today.

9 I do have copies of the power point that I will pass out, so you'll have
10 something on which to take notes. This should be informal, please, just stop
11 and ask me questions as we go along. So, we'll get started.

12 We're going to talk to you about the effectiveness of the
13 Southwest/Southside Loan Forgiveness and Scholarship Program. To get
14 started, we're going to give you a brief history, and you all probably know
15 that far better than we do. We'll talk briefly about the current benefits and
16 give you an overview of the recipient profile. We'll explain our research
17 methods and our methodology, our findings, and some possible underlying
18 reasons for the findings. Then we'll go over some recommendations. I
19 should also let you know that we work very closely with Todd Massa, who
20 is a data guru who was very helpful as we put together this information.
21 There are also a lot of other people to thank, and I'll do that at the end.

22 We took a look at all the tobacco indemnification funds across the
23 country, and there are six states that actually fund post-secondary work:
24 Louisiana, Michigan, Nevada, New Hampshire, Texas and Virginia. We
25 know the Tobacco Commission's goal is attracting and retaining modern

1 businesses by increasing the skill levels of the labor force, and that feeds
2 directly into this program. The program was actually started in 2002, with
3 \$250,000 allocated to the Burley Fund Loan Forgiveness Program started in
4 '03, and then by year end '06, according to some figures, I think about 15.4
5 million will have been allocated to these programs. Everyone knows that in
6 detailing the criteria of the program, and there are changes since its
7 inception, makes it a little bit hard to evaluate when the program has
8 changed from year to year. We've done some evaluation tests. The
9 percentage of undergraduates receiving awards in 2002 through 2003, the
10 Southside program 71 percent, and the Southwest program 93 percent. We
11 felt it was important to make a distinction here, because we wanted to
12 concentrate primarily on the undergraduate portion of this.

13 SENATOR RUFF: That's a percentage of what?

14 MS. GREENBERG: That's a percentage of all of them who
15 have received awards, undergraduates. This program gives awards to
16 graduate students as well. The percentage of first generation students, 47
17 percent in Southside and 41 in Southwest. This came from Chris' work that
18 she did in the survey. The schools attended by most recipients was
19 Longwood, Averett and Old Dominion, the University of Virginia at Wise,
20 Virginia Tech and Radford. For the year 2006/07 the loan forgiveness
21 award was 4,000 and the Southwest award was 1,500.

22 We took a long view and looked very much at what the literature said
23 about college attendance and what influences were being placed on kids in
24 school. We did talk to the college boards in an attempt to collect SAT data
25 by counties, and we actually had three requests in to them, and I think the

1 trouble was people found out the scores had been jiggered this summer, so
2 we never heard back from them. We also took a look at the Southwest
3 Virginia higher education data. We have demographic data from tobacco
4 localities and other places. We did an e-mail survey of scholarships and
5 loan forgiveness recipients. We divided that survey into whether or not you
6 had received money for the graduate school program or undergraduate
7 school program. What we're presenting today is those that received it for the
8 undergraduate program, because those folks' responses are very, very
9 different to the same question. We did a telephone survey of high school
10 guidance counselors in the tobacco localities, and we surveyed every high
11 school in the tobacco localities, and we only had five that didn't respond.
12 We talked to the guidance counselors who were responsible for scholarships.
13 We did face-to-face and phone interviews with financial aid and admission
14 officials at Virginia Tech, Ferrum College and Roanoke College. The State
15 Council of Higher Education was very helpful when we were trying to pull
16 together this data. We also used Department of Education data files from
17 high school graduates and custom data from high school dropouts. We're
18 still waiting on the custom data pool for high school dropouts. The state
19 does not keep cohort data by region of high school dropouts. You can't go
20 and say, I want to know what percentage of the Class of 2000 dropped out of
21 high school. We've been working with them now for about three months to
22 get it pulled together for all the tobacco counties. We had two data pools,
23 but they were not what we wanted, and they promised that we should have
24 that by next week.

25 Virginia is ranked seventh in educational attainment. I spent an hour

1 and a half last week, and one of the staff told us in 1950 Virginia was last in
2 the country in the percentage of students aged five to twenty-five who are
3 enrolled in school. So Virginia has come a long way in that period of time.
4 In Northern Virginia, which has approximately 26 percent of all the
5 Commonwealth residents, 51 percent of the population hold at least a
6 Bachelor's Degree, and it's no secret to you all the percentages are much
7 lower here in the tobacco country.

8 We do know in Virginia that educational attainment correlates very
9 highly to income. We actually ran, when Ryan did this, a regression on that,
10 and what you'll see right here is this is the percentage of the population
11 which has a Bachelor's Degree or higher, and this is the median income.
12 You'll see that down here we have Dickenson County, and up at the top we
13 have Fairfax County and Falls Church. We wanted to make sure our
14 premise was correct, that educational attainment does correlate with income.
15 We pushed very hard to see if we could figure out which causes which,
16 correlation is not causality. We met with professors at Virginia Tech, and
17 we also did some work with David Brennan, who is the Dean of the
18 Education Department at UVA, and nobody has been able to figure it out.
19 That's because the factors that go into education attainment are usually the
20 same ones that go into income. We hoped we would be able to separate that,
21 but we were not able to.

22 We do know that the percentage of students attending public or
23 private colleges in Virginia from the tobacco localities is low, and that is
24 compared to these other counties. The state Department of Education will
25 give you the number of high school graduates each year, and this is actual

1 data from data that's stored and does not have out-of-state data, because, I
2 guess, the states don't talk to each other. We were able to pull this, and
3 Todd did this for us. What we noted is that this is the percentage of students
4 that graduated from these tobacco counties or attended a Virginia public or
5 private college, that's four years. I did not pull the Northern Virginia
6 counties, and tried to pull from more rural counties to give a comparison.

7 What Todd was also able to pull for us, this is a custom data pull, and
8 something I would think you folks might be very interested in. He's able to
9 pull the college graduates year-end, who they were and where they are
10 working, by county or area, in 2005. What you see here is 22 percent of
11 Amelia County college graduates in 2004 are working in Southside in 2005.
12 Thirty percent of Carroll County college graduates for 2004 are working in
13 Southwest in 2005.

14 MR. LANHAM: I might add that surprisingly, or it was
15 surprising to me, that the lower the income of the locality the more likely
16 students come back to the locality. The higher income like Fairfax County,
17 it's very unlikely people come back. They might come back to the general
18 area, but it's the mobility that the best education gives people. So education
19 and mobility go hand-in-hand.

20 MS. GREENBERG: This is not something they keep, but he
21 did this because we asked him to. I think it's something he will begin to
22 track, if it is of interest to you folks.

23 DELEGATE WRIGHT: Do you have any data on what types
24 of jobs?

25 MS. GREENBERG: No, he said he can do that, because I think

1 he uses a certain code. He would be able to do that for us, but we don't have
2 the data here today.

3 MR. STEPHENSON: Do you have any observations as far as
4 Russell County?

5 MS. GREENBERG: They're small numbers, I'll have to say
6 that. There are not many college graduates. But to answer your question,
7 my hunch is that you will see these are mainly teachers, and that's what
8 they're going back to do, and that's just a hunch.

9 MR. BENNETT: How tough is it to determine the number of
10 kids that graduate and move out? Can you determine how many local
11 citizens have gone to college out-of-state?

12 MS. GREENBERG: There's a national figure, and on average
13 that's about 25 percent. Todd is pushing to do something so he could collect
14 that data, which I think is important for us to have. When we showed you
15 the slides of those who were going to Virginia schools, all the other counties
16 did not include out-of-state schools. That's why we were using it as a
17 comparison.

18 MR. BENNETT: Is it true you don't have those figures, and
19 that localities may also actually have some youngsters that went to schools
20 out-of-state and returned, and that wasn't picked up?

21 MS. GREENBERG: Yes, they would be picked up, because I
22 think that he has, I don't know, and I'll just have to check to see that. I don't
23 know that he loses them once they go away, or whether or not, my guess is,
24 yes, he does, because we don't have the other numbers.

25 What we did on this survey is that we sent out, using the list of

1 tobacco scholarship recipients, we sent out 2,000 surveys, and about 900
2 responded back, 588 were undergraduates. We read them a list of factors, or
3 they saw the factors that might have affected their decision to consider
4 attending college and which factor had the greatest influence on you when
5 considering whether or not to attend. By far, parents is the number one
6 answer, and available funding is 23.5 percent. The others fall off
7 significantly below that. This changes dramatically when you look at
8 graduate students, graduates say available funding, and that's number one,
9 that's not really surprising. The guidance counselors that we surveyed also
10 said parents. In Southwest, parents were 50 percent, available funding 19, in
11 Southside, parents was 37, grades 17 percent, and available funding 14
12 percent.

13 SENATOR RUFF: Why do you perceive there's that much
14 difference in the parents category?

15 MS. GREENBERG: You'll see how much higher the grades
16 are for Southside. They said there was a fair amount of kids who did not
17 have the grades to go. Because we did these on the phone, we collected a lot
18 of other information. From Southside we learned that parents are important,
19 the students and the work and the course work was right up there.

20 When we asked the question, do you think the Tobacco Commission
21 Scholarship Loan Forgiveness Program helps students make a decision
22 whether or not to attend college, or do you think the program is more of a
23 benefit for students who already have decided to go to college? Sixty-seven
24 percent of the four-year degrees said it's more of a benefit. Seventy-four
25 percent of the Southwest guidance counselors said it was more of a benefit,

1 in Southside 76 percent.

2 Then we asked the question, if your school could do one thing that
3 would increase the number of your students who attend college, what would
4 it be? Forty-five percent gave an answer related to earlier intervention.
5 They also said free funding and no loans. They said, these kids and their
6 parents don't necessarily want loans or understand loans and don't want to
7 have to go through the process to pay back loans, and it's not necessarily a
8 great program, they want free money.

9 SENATOR RUFF: So do I.

10 MS. GREENBERG: I'm on that list as well.

11 When you talk about marketing resources, we do think the program
12 probably needs more resources to help market itself. When we asked the
13 guidance counselors, are you aware of the program, 96 percent of Southwest
14 guidance counselors said yes, and 85 percent in Southside. When we asked
15 the question, had the program been adequately explained to you, 48 percent
16 said no, in Southwest and 56 percent said no in Southside. We asked if the
17 program provided more, less, or about the same promotional material as
18 other programs. Forty-three percent in Southwest said less, and 47 percent
19 in Southside said less. I don't know if this was because of who we were
20 surveying, and we asked, do the students or parents ask you about the
21 program, or do you more frequently inform them about the program?
22 Seventy percent said they were frequently informed, and 61 percent. That
23 means getting to the guidance counselors is very, very important.

24 We wanted to talk to you about what the literature said about parental
25 influence, and we did a pretty comprehensive review. We know that parents

1 can offer encouragement to a student's academic ability. Also, we heard that
2 guidance counselors had a strong influence on college aspirations. Parental
3 encouragement is a strong predictor of early educational aspirations. In an
4 older study done in 1989 showed that if the parental encouragement
5 increases, so does the student's achievement.

6 We know that eighteen of the counties and cities designated as
7 tobacco localities do not offer the SAT prep courses. We did a survey of all
8 the schools to find out if they offered SAT prep courses, and we asked
9 specifically during the day. These are localities that don't offer anything.
10 We thought that was a very important statistic. Lots of the counties do, and
11 in some of the counties, perhaps two-thirds of the schools will offer SAT
12 prep courses, but not all of them. We have a strong suspicion that the
13 dropout rates are very high. I don't know how many of you saw the *USA*
14 *Today* story yesterday, and the Roanoke City Schools have recently
15 published figures that they're graduation rates are about 53 percent and the
16 *USA Today* story cited 50 percent graduation rates. Unfortunately, we don't
17 have a great way of looking at this, but we're hoping to be able to get that to
18 you by early next week.

19 We know that some of the influences back here, that parental
20 influence has a significant impact on the predisposition states, which we're
21 calling grades seven, eight and nine. The Director of Admissions at Ferrum
22 College and Mary Baldwin College, which has a high number of first-
23 generation students, said the biggest obstacle for these students or for first-
24 generation students is that parents don't perceive college education as a
25 value or important. The Gates Foundation has recently done a pretty major

1 work showing that the level of proactive parental involvement in those who
2 dropped out of high school was low.

3 One of the other things I wanted to show you was exactly how much
4 colleges cost to attend these days. These are numbers used by the feds when
5 people are able to apply for loans. The total cost to attend, and that includes
6 tuition, fees, room and board, books, supplies. The schools that are most
7 attended by students from these regions use these figures, and UVA at Wise
8 is eleven seven, Virginia Tech is fourteen one, Radford is twelve,
9 Washington and Lee is thirteen, and Averett is twenty-six five. When we
10 talked to the financial aid folks at these schools, they indicated five thousand
11 was the dollar amount necessary to get the student's attention and make
12 someone make a choice between schools.

13 We also know that planning for college begins as early as the eighth
14 grade, and by the ninth grade most students have already developed their
15 occupational and educational aspirations, and by the end of the ninth grade
16 students know what their goals are and where they are going to attend
17 college and whether they are going to attend or not. We believe that
18 interventions taking place by the eighth or ninth grade are most likely to
19 succeed, as far as attending college.

20 When we looked at everything, we came back and spent several
21 weeks trying to say what we think you folks should consider in this program.
22 We want you to know that even though people said it's more of a benefit
23 than a decision factor, it's a very important benefit. These folks are very
24 appreciative of the funding they've received and do say it's important. We
25 just throw this out for you to consider, that you might think about increasing

1 the dollar amount for each program bringing the total cost to attend, not
2 limiting the funding to just tuition. Perhaps adding marketing funds to
3 educate guidance counselors and adding marketing funds to explain the
4 program, including middle-schoolers and their parents and first year of high
5 school students. If we don't get to these kids earlier, we think it's a lost
6 cause. We think you should partner to develop a protocol for collecting and
7 recording the data so that we can begin to get a very strong picture and a
8 clear picture of what is actually going on here. It would make it easier for
9 you folks to decide whether or not you're meeting the goals that you want to
10 achieve. We think you should consider funding SAT prep courses for high-
11 schoolers.

12 We also spent a lot of time with this idea, and we'll throw it out just
13 for you to take back and sleep on it and think about it. If you look at the
14 number of kids from these areas going to college that have developed a work
15 plan, we think you might consider the following. The Gates Foundation in
16 Columbia has done some work along with the states of Delaware and
17 Oregon, and it's all designed to help students develop post-graduation plans,
18 whether or not they're going to college or technical school. When we talk
19 about what it would take to do this, one of the things we've heard from
20 guidance counselors loud and clear was, we can't do everything, because
21 we're so overburdened with paperwork now, so we can't do some of the
22 things we'd like to do. We thought that if you could do some testing and do
23 this as a long-term project, and this will take a long time, because you've got
24 to start in middle school, is what our data shows. You would fund hiring
25 additional guidance counselors to meet with students and parents to help

1 determine career interests and identify the necessary course work and outline
2 financial considerations and expectations for post-secondary work. One of
3 the other things that Todd Massa told us is that when we asked him about
4 why is it these people don't want loans, because from K through 12
5 education is free. Nobody wants to pay for education until they get to
6 college. That's why loans are not part of the equation. We think important
7 work needs to be done by parents and students about what it takes to go to
8 college. If it costs 14,000 now to attend Virginia Tech, what is it going to
9 cost by the time you're getting ready to go to college? We think you should
10 consider the hiring of additional guidance counselors to continue this work
11 with high school and make the process less intimidating for everyone.
12 Another thing we heard from guidance counselors is that this is a very
13 intimidating process, especially for first-generation students and parents.
14 They don't know how to navigate it. Guidance counselors don't have enough
15 time to help in this process, and lots of kids fall through the cracks. This is
16 my communistic recommendation to make parental involvement mandatory,
17 that if your child wants to go to college, that if your kid wants to go to public
18 school, you have to meet at least three times a year with the school. So you
19 don't get the sense that it's just growth tracking. It's important to maintain
20 flexibility and to make changes. These kids are not, or should not be tracked
21 at seventh or eighth grade, but they should be allowed to explore all the
22 options, and you change their plan accordingly. This is modeled on
23 something called an IEP, which is an Individual Education Plan, which is
24 used for special education students, those that may have hearing difficulties,
25 sight difficulties or other learning difficulties. In those situations the

1 Commonwealth does provide a team to put together a plan for each student.
2 It's important for us to remember that this is about getting students on both
3 career and college paths. The ones who are not going to college can be more
4 of a threat to your community than the ones who are. When I say threat, I
5 just mean they won't necessarily have the skills to go to work in the places
6 that you would like them to be attracted to in your area.

7 That completes our presentation, thank you.

8 SENATOR RUFF: I'd point out that when we started the
9 program Virginia Tech came up with the \$4,000 figure. At that time Tech
10 was probably 10,000. I don't know the dynamics of whether increasing the
11 amount of money would change that. Maybe people didn't understand about
12 the program. I'm not sure about that. I have mixed emotions about that
13 statement.

14 MS. GREENBERG: We do, too, because we think that if you
15 can educate people about how to get funding and about how to pay for
16 college, that the amount probably doesn't matter.

17 DELEGATE JOHNSON: Mr. Chairman, your
18 recommendation described guidance counselors, how would more guidance
19 counselors solve the problem, if there is a problem?

20 MS. GREENBERG: It would have to be a concentrated
21 program. What we're suggesting is that there is not a heck of a lot of
22 guidance going on right now, and guidance counselors will tell you that they
23 don't have the time, because of SOL's and other things that have been thrown
24 at them, or at least that's what they were telling us. I don't know that you
25 would necessarily call these guidance counselors. In Delaware they don't,

1 and I think they call them career and post-secondary specialists, but it is
2 someone who works directly with the students from an early age to help
3 them identify what they're interested in and start talking about alternatives,
4 because in first-generation families a lot of these alternatives are not
5 discussed. If the guidance counselors aren't doing it because they're, you
6 have to get the guidance counselors or someone talking to the parents,
7 because they're going to be the larger influence or encourager.

8 MR. LANHAM: I'll just add one factor, that community
9 foundations are studying, or they say they're running about an 80 percent
10 graduation rate. When you talk about scholarships and you look at all these
11 statistics, it struck me as somewhat extraordinary. I asked a number of
12 community foundations around southeast how are they reading that, and they
13 basically said we stay in constant contact with the students, require
14 transcripts to be faxed in. If anything on the transcript doesn't look right, we
15 get on the telephone and call the parents and stay on the phone with the
16 parents as long as possible, because people who gave the scholarship funds
17 to the community foundation stipulated in their grants that that was a
18 requirement for a scholarship. Of course, now they know and help people
19 put that in for the scholarship funds in the sense the community foundations
20 are providing their post-secondary support as far as the guidance and
21 following through. What we're saying is that in addition to that, back in the
22 seventh or eighth or ninth grade if you really want to turn communities to
23 have a lower percentage of students going to a university, you've got to start
24 educating the parents and students together about what it's going to take, and
25 then help them build that plan and stay with that plan through the time when

1 they graduate, in order to achieve the kind of numbers and results that
2 people seem to be looking for. You have to remember the requirements of
3 the fund, so if people aren't doing this and students aren't achieving these
4 levels, that's one thing. For those that are planning to go to college, clearly
5 if they don't have a plan, they're not going to get or meet the requirements
6 for the scholarship or other programs.

7 DELEGATE JOHNSON: I stand to be corrected, but I think
8 that we've spent all the Education money now. If we put more guidance
9 counselors out there, that means we need more money to pay for the extra
10 students that they'll generate.

11 MS. GREENBERG: Is that a good problem to have?

12 MR. LANHAM: The problem we took on, and clearly if you
13 go back to that one slide that had the line through it, if you go on the premise
14 now that education is probably aligned with income, because we know
15 income causes education, and wealthier people get more education, and
16 more education leads to more wealth. We took the premise that if we
17 wanted to raise local communities up, as far as the standard of living, the
18 only way to achieve that is to raise the education level. What we took from
19 the Scholarship Program was that one of the goals of the Scholarship
20 Program was to raise the educational attainment in the community. It's that
21 process that will lead to enhanced economic prospects for the local areas.

22 DELEGATE WRIGHT: I'd like to make some observations,
23 and that is, one of the recommendations or one of the problems seems to be
24 that the guidance counselors actually don't have the time for all this. I think
25 that is a problem. I gave a scholarship to each of the high schools in my

1 district, and that's nine scholarships. I find that working with each school is
2 entirely different. You'll have one school that will have maybe 50 or 75
3 students for scholarships, and another school will have 5 or 10, really have
4 to go and look for these scholarships. I think the letter that is going out to
5 the parents of seniors inform the parents of what's going on. They all need
6 money and so forth to help them get to college. I think we need to continue
7 on this path and get feedback and give them, or find out what kind of
8 increase we need to give students. They need to take advantage of these
9 scholarships first. I think the guidance counselors, and that's where the
10 rubber meets the road, they've got to get out and work with these students
11 and let them know what's going on. I'll go to one school and see a
12 scholarship that is awarded. I know these scholarships would be received
13 well by other students in other schools if they knew about it. They just have
14 to know how and the need to apply. For some reason, some of the students
15 aren't aware, or aren't encouraged to get out and work for it. So I think it's a
16 good step you're taking by sending the letter out.

17 DR. FOWLKES: I want to compliment Cathy for what she's
18 done. I think one factor she's really hit, identified, is parental support. Over
19 the six years that we have administered the program, our experience has
20 been that the majority of the calls that we receive and the majority of the
21 applications that come in don't come from students, but they come from the
22 parents. Parents are the ones, and especially those high numbers that are
23 paying the bills, the parents are the ones who make sure that those students
24 are applying for the money, the parents are the ones who make sure that they
25 know all of the ins and outs. The observation we have observed is that

1 parents who are better educated are the ones who are taking care of this
2 business. They have the wherewithal to know about the scholarships, they
3 read it in the newspaper, they paid attention, they have e-mail in their
4 homes. They pay attention to all of this. I'd say the focus needs to be on the
5 parents.

6 Delegate Wright, I definitely agree with what you're saying about
7 getting the information out and maybe following up on what Cathy has
8 identified. We should start with eighth graders and start sending these
9 pamphlets out about the Scholarship Program in the eighth grade to parents
10 and following up again in the ninth and tenth grades. That way they'll know
11 a lot sooner that this program is available and be prepared. By the time
12 they're a senior in high school, if you're just getting this, and you haven't
13 taken the right courses, the right math, science and English courses, it's
14 really over. It's too late by the time you get to be a senior. I see our work
15 really in marketing more with the parents at the younger age. I congratulate
16 you for identifying that.

17 MR. FIELDS: Rachel, what percent of the money are we
18 spending in Southwest on the scholarships allotted?

19 DR. FOWLKES: One million in Southwest and 2.8 in
20 Southside.

21 MR. FIELDS: What percentage are we allotting to kids?

22 MS. FIELDS: Ninety-seven percent of one million dollars.
23 The center is paid three percent, which would be about 30,000.

24 MR. FIELDS: Are we using all that money?

25 MS. FIELDS: In Southwest, yes. We're using it all in

1 Southwest.

2 MR. FIELDS: Then we need more added to that, then. Are we
3 turning children down?

4 DR. FOWLKES: Not for the lack of funding, no. They might
5 be turned down because they're not eligible and don't have the right grade
6 point average.

7 SENATOR RUFF: At the last meeting we had Dr. Gunther
8 from UVA talk to us about career prospects. Are you familiar with that
9 program?

10 MS. GREENBERG: No, I'm not.

11 SENATOR RUFF: That program is designed to try to walk
12 young people through career prospects. Supposedly, they've gotten that
13 information to the guidance counselors. Having to deal with teenagers
14 myself, I realize that sometimes too many choices is a problem. I don't
15 know if I talk to them wrong or not, but the more options they have, the
16 more confused, or the more they block everything out.

17 MS. GREENBERG: I think what we are promoting is really an
18 earlier intervention that gets the parents on board, because we see that as a
19 critical piece. Whether you're meeting with them to discuss, not necessarily
20 career planning, but what courses they might be interested in or what strikes
21 their fancy, I think that's critical. You want the parents to know what is
22 going on in school, as well. So we think that's very important. The Gates
23 Foundation has identified something like this, and Columbia has done the
24 development of a program as well for middle schoolers to at least begin a
25 conversation and have parents involved.

1 SENATOR RUFF: My wife taught the fifth grade, and she
2 would agree with you 100 percent that parental involvement is a key issue. I
3 don't know how you're going to attempt to change that. The reality is that
4 that situation won't be created overnight and won't be changed overnight.

5 MS. GREENBERG: It wasn't created overnight. I have a
6 daughter who teaches in Atlanta public schools, and they have actually
7 started a program where they did teacher-parent conferences at people's
8 homes, as opposed to in the school, in an effort to get more parents involved.
9 It's a very wicked problem. You have to make some efforts to try to fix it,
10 and that's the bottom line.

11 SENATOR RUFF: How does the income --

12 MS. GREENBERG: -- My daughter has taught the second
13 grade, and you might encourage parents at that age, but we compared it to
14 my experience, because I taught school my first year at the Roanoke City
15 Public Schools, and when I would hold a parent-teacher conference most
16 parents came, and I feel strongly about that. My daughter thought that 75
17 percent of the parents came. It meant she had to do it after hours, earlier in
18 the morning, or make other arrangements, but she did it.

19 SENATOR RUFF: All right, thank you. Any other questions?

20 MS. LINDA PHARIS: I'd just like to make a comment. I'm
21 involved with education through public television, and we serve 42 of the
22 localities between Route 29 and everything west, and we have a lot of
23 communications outside of the area, certainly involving other public TV
24 stations. PBS is owned by the community. We get funding from the state
25 every year. We've been working to make this awareness to people. I really

1 don't think people are aware of the public partnership program and that it's a
2 wonderful thing. If you all would like to talk about that at some point, we'd
3 be happy to participate.

4 SENATOR RUFF: That would be great. All right, we'll move
5 on.

6 Ned, do you want to talk about the Scholarship Program?

7 MR. STEPHENSON: Thank you, Mr. Chairman. I'm Ned
8 Stephenson with the Tobacco Commission. I thank Cathy for her work.
9 That's some of the best empirical data that I have seen surrounding
10 what is happening in the scholarship arena that we've been operating in now
11 for some five years. Most of you know that later on in this meeting the Staff
12 will ask the Committee to allocate resources for the coming year. At this
13 time I'd like to invite a discussion surrounding how your Scholarship
14 Program operates, having heard some of this empirical data. Assuming, of
15 course, that later on in the meeting that the Committee chooses to allocate
16 money to this long-standing program.

17 Would you please look in your packets and find a sheet entitled,
18 Proposed Tobacco Scholarship Rules? It gives you a thumbnail sketch of
19 the Tobacco Scholarship Rules that are now in place. We would like to
20 invite a discussion from the Committee about what you want to do, about
21 whether you want to keep these same rules or raise the amount, change the
22 eligibility, or anything about it that you would like to change, having heard
23 some of Cathy's data. Mr. Chairman, with that, I would like to invite that
24 discussion.

25 MR. DAY: Is there any evidence that the rules are a barrier?

1 MR. STEPHENSON: I'll call on Rachel and her folks to help
2 answer that question, but some people get turned down because they don't fit
3 these rules, for one reason or another.

4 DR. FOWLKES: In Southwest you have to have a quota or
5 have been part of the buyout, in Southside that's different. Those are some
6 of the barriers, and the GPA, I think, is the last thing you get, that's a barrier
7 to students that are not serious and don't maintain their GPA.

8 MS. FIELDS: I know in the Southwest the issue of there being
9 the buyout. This year again, and each year that we go further away from it,
10 and the way scholarships are, they have to meet that quota within the last
11 four years. Every year we go we've reduced the number of students that are
12 eligible for that to the point that in the future you're not going to have any
13 because of the buyout. You're going to have a quota, and that's something to
14 think about, at least long-term. For the short-term, for every year that we go
15 past the buyout we're reducing the number of students that are eligible.

16 MR. STEPHENSON: You're speaking to the next to the last
17 line item on the sheet, where it's restricted to what we call "tobacco
18 families," and if you aren't one you can't get this money in Southwest.

19 DELEGATE WRIGHT: Mr. Chairman, I think the answer to
20 the question that Mr. Fields asked currently the amount of money we're
21 spending on this Scholarship Program and not leaving anyone qualified
22 behind.

23 MR. STEPHENSON: We heard that in Southwest, was it also
24 including Southside?

25 MS. FIELDS: Yes, as long as we, when you apply in

1 Southside, as far as the reason that they might be denied might be they don't
2 live in a certain area, they may get community college, but not a four-year.

3 DELEGATE WRIGHT: I would like to comment, because I
4 think the program or some improvements can be made that's been presented
5 to us. As far as the rules that are in place, I think they're sufficient to cover
6 the program that we currently have. I don't see that any changes need to be
7 made in the way the scholarships are administered. Improvements have
8 been mentioned, and as far as trying to get more families advised of it and
9 more people seeking it, we need to get to the point where we need more
10 money, then that's another consideration.

11 MR. DAY: Mr. Chairman, I have a tendency to agree, although
12 it seems to me that the issue of tobacco families in Southwest, it's not this
13 year, maybe certainly sometime later.

14 SENATOR RUFF: I think those from Southwest will have to
15 consider that possibility, and we've allowed them to kind of set the rules on
16 their own and Southside set the rules on their own.

17 SENATOR PUCKETT: Mr. Chairman, as far as the Southwest
18 piece, let me comment on the Southwest piece. I think, Bernie, we are
19 aware of that, and we know that somewhere along the line we're going to run
20 out of people if we don't do something different, but we've kind of
21 monitored that. Our intention from day one was to make it available
22 basically to tobacco families, and when we no longer have that need to meet
23 or a lesser need to meet, then I think we will open it up. Our commitment
24 from day one was to the tobacco families, and we didn't choose to open it up
25 for everyone. I think if we would have done that we would have seen a

1 greater emphasis on what we heard this morning or this afternoon, that those
2 families and those kids that are geared toward going to college, they
3 probably would have gotten most of the money. Our emphasis was on the
4 tobacco families. People that weren't going to college, we were trying to
5 encourage them to go.

6 Personally, I don't have any statistical information, but just from the
7 phone calls I get and people I talk to in our community, I believe it's been a
8 big benefit. People have told me it might be the best thing we've done in
9 Southwest with the tobacco money. There are tobacco families, and people
10 that can't do that anymore and raise that crop and make a living are trying to
11 do something else. We recognize there is an issue there, and somewhere
12 along the line we'll have to address it, but our immediate concern for the last
13 six years is toward tobacco families.

14 MR. FIELDS: I think the real need of this was the wording we
15 had in the rules in the past four years, we need to address that.

16 SENATOR PUCKETT: I think we will address that, but right
17 now, from what I've heard with this statistical information, we still have
18 tobacco family need out there, we're not giving the money to anyone that is
19 not a tobacco family, we're using all the money. If it gets to the point we've
20 got some money left, we'll do something else with it.

21 MR. FIELDS: From the statistics there, I think we're \$3,000
22 short of what we should be giving them.

23 SENATOR RUFF: Bryant and Barnie, since you all weren't
24 here when we made the original agreement, I think they described what they
25 wanted to do in Southwest, and they wanted to take care of the tobacco

1 growers and families. Southside took the position that the Tobacco
2 Commission had a responsibility to the region. We felt it was better to serve
3 the region by trying to make it an enticement to those individuals to come
4 back and reinvest in the communities in which they lived. That's really the
5 difference in the two philosophies.

6 MR. DAY: Mr. Chairman, there's another larger issue we're
7 going to face in the next six or eight or ten years. I think the hard data
8 indicates that some 30 or 40 thousand more kids are going to be applying to
9 colleges in Virginia than we currently have seats for. I don't know how that
10 plays into our thinking. We're going to have some real barriers to education
11 coming down the road. It seems to me that data is still current.

12 SENATOR RUFF: Is that data current?

13 MS. GREENBERG: The prediction of 2010, I wish Todd were
14 here, that there'll be larger numbers entering classes than the Commonwealth
15 has seen since the baby boomers. They have since modified some of the
16 predictions, because they thought community colleges would help take care
17 of some of that. One of the things that will help it is for kids from these
18 regions to become more competitive to get in college. You may not see
19 them getting in in the same percentages if they have not truly prepared.

20 SENATOR RUFF: You'll see the tuition going up, and that'll
21 change some things.

22 MR. STEPHENSON: Ryan, you had a slide somewhere during
23 Cathy's presentation that was a list of suggestions for the Committee to
24 consider, and I remember some of those bullets. Would you try to locate
25 that? That might stimulate some ideas. While you're looking for that, there

1 is one correction I just noted on the sheet of the proposed rules. In the
2 second half of the sheet in the middle of the page it listed the total award last
3 year. Southwest is a million, and Southside appears as 1.8 million, but it
4 should be 2.8, and I apologize for that correction.

5 SENATOR RUFF: How many dollars actually went to
6 Southside last year?

7 MS. FIELDS: In 05/06 we will still have some money left over
8 in Southside, probably about 800,000.

9 SENATOR RUFF: We were at 4,000, and we dropped it to
10 3,000, because we opened it up to anyone, and we didn't know what to
11 expect.

12 MR. STEPHENSON: Mr. Chairman, there's an asterisk on the
13 page I would like to invite your attention to concerning two-year programs
14 at four-year schools. This issue came up between meetings and was handled
15 administratively with Rachel and her folks, but I'm drawing your attention to
16 that because I would like for the Committee to make a decision whether they
17 want that to be a permanent part of the program going forward. We had a
18 few students that that affected.

19 SENATOR RUFF: You anticipated there would be more?

20 MS. FIELDS: No.

21 SENATOR RUFF: If there are no objections to leave it
22 administrative.

23 MR. STEPHENSON: This is a chance that we have to reshape
24 this program, and once we leave here today it's difficult to do, so I wanted to
25 be sure you have every opportunity to change these parameters. I saw this

1 going by, and I thought this may stimulate some ideas that you got from
2 Cathy.

3 SENATOR RUFF: The second item there, not limiting the
4 funding to just tuition.

5 MS. GREENBERG: A recipient of other awards could make a
6 difference. Another level of complexity for people that may not understand
7 how the scholarship works and all the ins and outs of financial aid. It
8 seemed to us, why not make it payable to schools for whatever expenses.

9 DELEGATE WRIGHT: I think the Committee decided that it
10 would be a scholarship to be used after all other resources. I think that's the
11 right thing to do, that would best serve the people, some wouldn't have a
12 scholarship.

13 SENATOR RUFF: Have you all had anybody not reduce it?

14 MS. BREEDING: It goes for books and other costs. There are
15 very few grants, along with all other things that you can get, that will help
16 you with books. We've had several in Southside because of the teaching
17 part, some cases where the employer is paying part of it.

18 SENATOR RUFF: Theoretically, how would you compensate
19 books? You're paying for the college, and you write the checks for the
20 college.

21 MS. BREEDING: Those go to bookstores, the student is given
22 a voucher on an account to purchase books.

23 SENATOR RUFF: Does that encourage them to buy new
24 books or T-shirts?

25 MS. BREEDING: That's not the only comment we've had.

1 MS. FIELDS: I'd like to make a comment on the first item.
2 This pertains more to Southwest than Southside, because funding is much
3 greater in Southside. Having done this program, the number one thing I hear
4 from graduate students, \$1,500 is the only way they could afford to go back.
5 That's \$1,500 a year. Students have been very grateful, but they just can't
6 afford it. The graduates want to know why they can't have more money than
7 the undergraduates. That may be something the Southwest delegation wants
8 to talk about as a future follow-up. We get that comment back from
9 graduate students. You're looking at an average of 800 to 1200 per class,
10 graduate students, versus 400 or 500.

11 SENATOR RUFF: Skipping down to lack of funding SAT
12 prep courses, certainly if you're trying to get in the top echelon, very good
13 SAT scores are very important. Does that affect any other schools?

14 MS. GREENBERG: A lady who graduated from Amelia
15 County High School number one in her class, and her SAT score was 900,
16 she wanted to get into UVA, and I happened to pull the Director of UVA on
17 your Board aside one day and said I want to talk to you about this young
18 lady with her numbers and number one in her class, but her SAT was 900.
19 He said there's no way, she just needed to look elsewhere. She's going to
20 VCU. If you look at the SAT scores, Mr. Day just suggested what's going
21 to happen, and it's going to become more and more competitive.

22 MR. DAY: At the University of Southern New Jersey already.
23 In my estimation, having gone to North Carolina and Duke, we got the same
24 story, and any of these legislators will tell you a kid in the neighborhood that
25 graduates one or two in the class and making 1300 on the SAT can't get into

1 UVA. Nine hundred, I guess you have to make 1350 or so.

2 MS. GREENBERG: It is competitive, the SAT's, and also I
3 believe they changed the SAT. There are now writing components on it, so
4 a lot of kids will be graded on that.

5 SENATOR RUFF: Why don't we just have a state law saying
6 you have to indicate if you have, you get extra points.

7 MS. GREENBERG: We get an additional 100 extra points, but
8 we did a fair amount of research on this and looked at the average SAT
9 scores.

10 MR. LANHAM: The higher scores give you more options, and
11 what is happening now in the wealthier communities you have SAT prep
12 courses, and that's a standard offered during the day. It's a disadvantage to
13 communities, and to get into the kind of institutions that they want to go, I'm
14 speaking of the higher income people. In the long run it's an objective, but
15 it's really just another widening gap, because those that seek education or
16 more education, are usually the more wealthy neighborhoods. In some
17 communities it's even one notch above that now, private counselors are
18 hired. Fairfax is almost the norm.

19 SENATOR RUFF: If the leaders are decision makers for four-
20 year institutions, you can understand that this is a problem.

21 MR. DAY: I think the rules we have here are sufficient for at
22 least another year, and I would so move.

23 DELEGATE WRIGHT: Second.

24 SENATOR RUFF: Any further discussion? All in favor say
25 aye? (Ayes.) All right, unanimous.

1 I would suggest we look at it over the course of the next six months,
2 and if you have any bright ideas to come up with, call the Committee, and
3 we'll discuss it at the next meeting. All right.

4 MR. STEPHENSON: Mr. Chairman, I stand prepared to help
5 the Committee with its budget deliberations, in terms of how it would like to
6 allocate the fiscal year 07 money for the year beginning here in a few weeks.
7 I might quote you a couple of parameters that will help you frame your
8 thoughts around what you want to do with the money.

9 The Scholarship Program, which you've just reviewed, and obviously
10 we have allocated 1.0 million and 2.8 million for a total of 3.8 for the
11 scholarships in years past. That would seem to be one possibility for the
12 Committee's consideration today.

13 Another consideration would be the fact that we have, for several
14 years now, provided access to our community college partners in the amount
15 of 2.8 million dollars, being 400,000 each for seven colleges, 2.8. So, 3.8
16 and 2.8 are good candidates for discussion, and anything else the Committee
17 may want to fund beyond that, up to its entire budget.

18 How may I help the Chair with that?

19 DELEGATE WRIGHT: What's the total amount of Education
20 budget?

21 MR. STEPHENSON: Delegate Wright, there is available, if
22 you take a small amount of carryforward information, carryforward money
23 from last year, plus a little bit of money recaptured from an earlier
24 scholarship year, 2003, plus the fiscal year 07 budget, the sum total that's
25 available to this Committee, beginning July 1, is 9.05 million dollars.

1 SENATOR RUFF: It seems like to me, from the facts that we
2 could certainly state the amount on those two categories, that the
3 scholarships we receive a major change this fall, and we may revisit that
4 figure at a later date, but it seems like that's a reasonable number.

5 DELEGATE WRIGHT: Mr. Chairman, I would agree, and I
6 think it served us well. You've also heard today about the extra burden put
7 on the community colleges in the future, and we need to continue to support
8 them in the Scholarship Program, and if it's an appropriate time for a motion
9 I'd move we leave it as it is.

10 SENATOR RUFF: That's your motion? Is there a second?

11 DELEGATE JOHNSON: Second.

12 MR. STEPHENSON: Mr. Chairman, it's somewhat of a
13 mechanical and administrative point, but I think the posture we're in today is
14 that of the Committee whacking up its budget, but the approval thereof is
15 really scheduled to occur in October. The reason for that is that most of
16 these monies do not arrive in the Commission's coffers until the following
17 April. I'm cautioning the Committee and Commission against making hard
18 approval today for monies that are almost a year away. I'm suggesting we
19 reach a Committee decision today which will be brought to the Commission
20 at the October meeting, along with whatever grant approval this Committee
21 may want to make in October.

22 SENATOR RUFF: That sounds like a motion to me.

23 MR. DAY: As a point of discussion, do I understand to leave
24 two million basically still in place?

25 MR. STEPHENSON: Two point four, I believe. In round

1 numbers starting with 9 less 2.8 for community colleges, less 3.8
2 Scholarship, leaving 2.4 undesignated.

3 SENATOR RUFF: That takes us back where we were about
4 two years ago. Last year we had very little money to deal with.

5 MR. DAY: The Committee, other than any bright ideas what to
6 do with the two point whatever.

7 MR. NOYES: When are the competitive rounds?

8 MR. STEPHENSON: The date that has been set for the
9 competitive rounds is a deadline of September 1 for applicants before the
10 Committee, and they would be heard sometime between that date and the
11 October Commission meeting, at which point they would be awarded.

12 SENATOR RUFF: Sixty to seventy-five days to work through
13 them?

14 MR. STEPHENSON: Yes.

15 SENATOR RUFF: Do we need a motion to set September 1st
16 deadline?

17 MR. STEPHENSON: We have not operated on a motion for
18 that, simply the consensus of the Committee that that is a good and sufficient
19 date, so that our constituents know that that is the date. I think it's published
20 on your agenda, if you look at the bottom. We printed it on there, just to
21 make sure everyone was advised.

22 SENATOR RUFF: Everyone has pretty well seen that on the
23 Internet, correct?

24 MR. STEPHENSON: That's set.

25 SENATOR RUFF: The motion was to continue the community

1 colleges and the scholarships, four-year scholarships, in the same amount.
2 Any further discussion? All in favor say aye? (Ayes.) All right, thank you.

3 We've got the date set as October 13th, do we have a location for that?

4 MR. STEPHENSON: No location yet, Mr. Chairman, unless
5 you want to choose it today.

6 MR. FIELDS: I'd invite you all to Southwest for one of these
7 meetings.

8 MR. DAY: I would invite the Committee to the Neu Colley
9 Institute in Martinsville.

10 SENATOR RUFF: We'll let the Staff figure that out.

11 MR. STEPHENSON: Mr. Chairman, just so the Staff is clear,
12 we are to make the remaining 2.4 million dollars available for the
13 competitive round, that's where we are?

14 SENATOR RUFF: We don't have to spend all that money in
15 October. We'll accept the applications and go from there.

16 SENATOR PUCKETT: Mr. Chairman, I don't know if this is
17 the right time or wrong time. I want to bring the Committee's attention to,
18 and I want to talk about this real quick. I just want to give you a little bit of
19 an idea what's happening in Russell County. As you know, CGI made an
20 announcement in Russell County, they're bringing 300 high tech jobs,
21 Northrup-Grumman, they're bringing 400-plus jobs within the next 30
22 months. One of the things that Shannon, and along with her responsibility,
23 she has given us all kinds of assistance and helped coordinate the
24 relationship between the state, CGI, a Canadian company in Northern
25 Virginia bringing these jobs. They do a lot of work for the federal

1 government on contracts to provide technology for federal government
2 programs. Northrup-Grumman does the same thing, except on the state level
3 they have awarded state contracts. Shannon is trying to coordinate the
4 relationship between the two companies and what everybody should be
5 doing. One of the things we found, CGI has hired 55 people as of June 15th,
6 and the overall workforce pool is a little less than what they would like for it
7 to be. Everyone they interviewed has not chosen to come, and they're still
8 interviewing and will be able to fill the positions we think they need.
9 They're actually up and running now, and they have been since March 15th.
10 We recognize down the road with Northrup-Grumman coming 400 of these
11 types of jobs.

12 SENATOR RUFF: One of them moved to Southside.

13 SENATOR PUCKETT: Well, I'd like for that to help, but I
14 don't want them to consider it. One of the things is, there are a couple of
15 technology programs that we found a lot of the workforce is not up to speed
16 in some of these jobs that CGI has available, and Northrup-Grumman.
17 Southwest has developed a program to fast-track individuals that will fit into
18 this, and keep in mind these are not high school people, but these are
19 degreed people. Two-year degree with experience to fit in with what CGI
20 wants, or four-year degree people that might need a refresher and would
21 qualify and certainly improve the workforce with those skills.

22 There is not an application on the table right now, and there are
23 several things that probably could work. I think the easiest way and the best
24 way, because it's already in place in some form, is to work through the
25 community college to do this. I would not specifically limit it to the

1 Southwest, although they have created programs right now, but we
2 anticipate Highlands might also be a player in this, and the mechanics of that
3 could be worked out between the two colleges. Mountain Empire might be a
4 player in it, too.

5 We would like some kind of indication if that's something that this
6 Committee would at least give us an indication that you would look
7 favorably upon what we're trying to do. The figure there has been laid out,
8 \$271,000. That's for actually different groups of about 20 students that will
9 be screened by CGI, and they'll determine if these people are what they're
10 looking for, and they need these classes, and we would send them. We hope
11 literally down the street to do this. Southwest has a center already in
12 Lebanon, and hope to be able to move it to the new learning center. It's
13 ongoing work. The facility is not the problem. If there is someone from
14 Lebanon or Abingdon or Wise County, or if it's closer to one than the other,
15 then we certainly would work with those institutions as well. What it does, I
16 think, is speak to some of the things that we've experienced as far as training
17 the workforce through the community colleges scholarships to try to fast-
18 track things.

19 I know the grant proposal is not until September, and we need to
20 move quickly on this, and I don't know how quick it can be. I don't know if
21 there is any money left in this budget, the present year's budget, to try to do
22 something like that. I'd like to get a feel for how the Committee thinks about
23 this.

24 SENATOR RUFF: I think we'd be in an awkward situation if
25 we approved a proposal that is not legitimately before us. We've been

1 telling everybody that September 1st is the date, so I don't know if it would
2 be considered a competitive round. In essence we would agree to 400,000
3 for the community colleges. Is that where you're talking about it coming
4 out of?

5 SENATOR PUCKETT: I think you would take it off the top,
6 rather than go into the 400,000. Recognizing that in doing a program like
7 this you have a crossover, you might have some of those people that fit into
8 the 400,000 piece. We're not talking about double-dipping, but there maybe
9 people that will come who are not a part of the tobacco families, maybe not
10 even from our area or the immediate area. I think it's a little bit different
11 than that. My thoughts would be when you're looking at 271,000 that you'd
12 put into the workforce development type of program.

13 MR. DAY: Senator Puckett, what would these jobs pay?

14 SENATOR PUCKETT: We've been told an average would
15 eventually be 51,000. The hiring of those 55, Bernie, I'm going to guess
16 would be somewhere in the neighborhood of 40,000 right now, 35 to 40.

17 MR. DAY: I did some third grade arithmetic here, we're
18 talking about 3400 per person, roughly, that seems like a good bargain to me
19 anywhere.

20 SENATOR PUCKETT: To speak to that, Mr. Chairman, I
21 think you're seeing an example again of our community colleges filling a
22 need that we think gives us a good bargain. We've learned of this probably
23 within the last 45 days, and that's why I'm bringing it up to you now. I'd like
24 to have some direction from the Committee as to how we might reach what I
25 think is a legitimate need for educational training that will create new jobs,

1 going to continue to create new jobs in the future.

2 SENATOR RUFF: You mentioned scholarships and a
3 \$400,000 figure. Has Southwest Community College always used all of
4 their money for scholarships?

5 SENATOR PUCKETT: Correct me if I'm wrong, but
6 Southwest uses every penny. We've been asked that several times, and they
7 use every penny of it with tobacco families for scholarships. There may be
8 some people that fit into that we don't even know about now. If they do, we
9 certainly could use the original 400,000 to get them into that program.

10 SENATOR RUFF: Most of the community colleges in
11 Southside have used some of their money for scholarships, but they've used
12 a greater amount to establish programs that they felt like would serve the
13 community that they represent. I wonder if it wouldn't be better to deal with
14 more immediate problems as part of this and apply for that during the
15 competitive grants.

16 SENATOR PUCKETT: Well, you mentioned that first group,
17 we certainly would like to have a group starting one of these things. It
18 would make our case stronger if we start one group and meet that need.
19 Then if 18 or 15 out of 20, or something like that, would work with CGI, we
20 would have a winner. We think we can do this, and certainly we're willing
21 to start with that and then go to the competitive piece after that.

22 MR. DAY: If you look at the global picture for a few minutes,
23 if we generate, if we can create \$50,000 jobs for a \$3400 investment, that's
24 3400 back in state income tax in about 13 months at the current rate, if my
25 math is correct.

1 SENATOR RUFF: I don't disagree with that, but the problem
2 is that if we do not follow the game plan we'll get applications every day of
3 the year, including Christmas. The difficulty with that, if we've got
4 everybody's time frame to work, or if we say, okay, we will rate every one of
5 these programs on the merits of their program alone and not in the
6 competitive round with other things, and the money goes out, and it's all
7 over. I think that would be a bad precedent to set for this Committee to
8 operate under as a Committee. I just think we've got an awkward situation
9 here.

10 DELEGATE WRIGHT: From the comments you made and
11 Senator Puckett, I believe we're all in agreement, and I think Senator Puckett
12 said that it is agreeable with him, and wouldn't upset the procedure.

13 SENATOR RUFF: If I understood him or you all to say if you
14 take the 67806 for that to occur, for the money that we've got or will get next
15 April we have to call, we'll have to call on Ned and let him tell us what can
16 and cannot happen.

17 MR. STEPHENSON: Well, you're talking about 9 million and
18 a little less than one million of that is a carryover from currently the
19 Commission's coffers. You could use that if you want to. Fiscal year 07
20 budget piece, some 8 million.

21 SENATOR RUFF: Could the cash be used for the, or is that
22 cash on hand?

23 MR. STEPHENSON: You've got cash. You have to carry
24 over, it's available to you to do that.

25 SENATOR RUFF: Is that still, that would mean Southwest

1 would get the 400,000 for next year.

2 MR. STEPHENSON: If you want to make it that way.

3 SENATOR PUCKETT: That's the way this was presented, and
4 they're trying to fast-track, and if they get one out of the gate now, they'll
5 probably get on another one. So, if it's appropriate, I would move that we
6 approve the first group, and then once that is out we'll go through the
7 process like every one else, present this in the competitive grant process.

8 DELEGATE WRIGHT: I'll second that.

9 DELEGATE JOHNSON: I'm a little confused. I'm for the
10 program, don't get me wrong, but are we setting a precedent here that's going
11 to come back and bite us later on? We're saying come up, and the next thing
12 you've got community colleges coming in. I'm saying in this first group we
13 have these students, and we have to try to work with them, we'll just have to
14 work with Virginia Highlands and Mountain Empire.

15 SENATOR PUCKETT: The timing is critical in this, and that's why I
16 brought it up today. Southwest is the only one I know that's trying to put a
17 program together that will meet the needs of the community colleges. At
18 this time we're not opposed to discussing this program with anyone. It's just
19 critical that we get started and get this first group out so we can maybe fund
20 that. We're hoping this will work out like we think it will.

21 DELEGATE JOHNSON: In this whole scheme, could not
22 Southwest Community College designate from their money this amount for
23 scholarships for this particular program?

24 SENATOR PUCKETT: Well, I suppose they could do that, but
25 they don't have that money right now. They're out of their scholarship

1 money, and they will get an allocation in October.

2 DELEGATE JOHNSON: Well, if we could work it that
3 everyone, this means the community college would get 64,000 more than the
4 other three community colleges that you're talking about. This means that --

5 SENATOR PUCKETT: -- I would agree, they're separate
6 programs from what we've done. It's a new problem, that's correct. I'd
7 simply say that again, whether it's Southwest or whether it's Mountain
8 Empire or Virginia Highlands, if you bring a program to this community that
9 will produce that kind of results that we think it's going to produce, I really
10 don't care where it comes from, I want to explore it. I want the results it will
11 bring.

12 DELEGATE JOHNSON: Mr. Chairman, even though I think
13 we're making a mistake, if the motion is made I'll vote for it, because I don't
14 want to keep people from going to school and helping the tax-paying
15 citizens from doing the work. I do think we're setting a dangerous
16 precedent.

17 MR. STEPHENSON: Mr. Chairman, if I can help the Chair,
18 I'm trying to think of a way that you could do this. With Rachel's
19 consideration, I don't know if you could make the Committee make a special
20 exception on one occasion for her to fund these scholarships out of her
21 existing approved scholarship total and put it through her office on a one-
22 time basis and one-time approval. That may set a precedent, but I'll tender
23 that option.

24 DR. FOWLKES: You mean to present it like a TROF fund,
25 deal closing, providing money on a table for a company to come to the

1 community, and now we can return that favor for a critical need.

2 DELEGATE WRIGHT: Mr. Chairman, where does the money
3 come from? There's a motion on the floor. Is the money coming from the
4 community colleges' appropriation for Southwest? Where is the 60-some
5 thousand going to come from now?

6 MR. STEPHENSON: As I understand the motion, if I'm not
7 mistaken, it is to use \$60,000 out of the 400 you've just allocated for
8 Southwest Virginia Community College, which will leave them with
9 340,000 come October, when everyone else has 400,000. The cash is in-
10 house for this, it's a matter of who gets the line item coming out.

11 MR. DAY: I understood the motion to be that we would fund
12 67,000 out of the existing carryover of about a million dollars presently
13 unencumbered.

14 MR. STEPHENSON: Without respect to Southwest.

15 DELEGATE WRIGHT: Mr. Chairman, that wasn't the way the
16 motion was made.

17 SENATOR RUFF: Make the motion again.

18 SENATOR PUCKETT: I think the original motion I said I
19 didn't like it coming out of the 400,000. I think it has to come beyond the
20 400,000. When Ned mentioned what was in place, I think that was the place
21 I thought it was coming from, the million dollars, the carryover. I don't
22 think it's fair to Southwest to cut into their 400,000 to fund the 67. I think
23 that's what Joe raised the issue about and what we've been talking about.
24 My motion would be that we allocate 67,800, 67,802 out of the million-
25 dollar carryover and that it not be taken from the 400,000 from Southwest,

1 whenever we approve that in October.

2 DELEGATE WRIGHT: Mr. Chairman, I think you pointed out
3 earlier the problem with doing that, and I think this is a wonderful program
4 for the region. For the original motion, I think Joe said what I did. If we do
5 this, how about the other community colleges? Perhaps they'll have a
6 similar concern that we have. We've set an application date of October, the
7 program is not on the agenda. I'm in favor of trying to find a way to do it,
8 and I second Senator Puckett's motion. I think if we do it this way it's going
9 to really upset the apple cart and not let people be fully informed about these
10 schedules and so forth.

11 SENATOR RUFF: So today if we take it from the 400,000 but
12 then still give you the option of applying out of the competitive grant total
13 for the 271,000, if that's approved, then the community colleges get back the
14 400,000.

15 SENATOR PUCKETT: We desperately need the group one
16 start, and I'll accept as that as a compromise, and then we'll go from there.
17 We need to get started on this if we have a chance to do it, and I would
18 accept that compromise.

19 MR. STALLARD: I'll second it.

20 SENATOR RUFF: Any further discussion?

21 DELEGATE WRIGHT: Mr. Chairman, for my sake, would
22 you repeat what you said?

23 DELEGATE JOHNSON: Mr. Chairman, would you have
24 someone state the motion so we'll know?

25 SENATOR RUFF: We're voting to take \$67,806 out of

1 Southwest Community College's money for this project so they can go
2 ahead. That'll be taken from the reserve fund so they can go ahead and
3 operate. At the same time they will be allowed to apply under competitive
4 bids for the 271,224. If that entire amount is approved, then it'll go back to
5 400,000.

6 DELEGATE JOHNSON: For the September 1 deadline?

7 SENATOR RUFF: Yes. All right. All in favor say aye?

8 (Ayes.) That's done.

9 Public comment.

10 DR. JOHN CAVAN: Mr. Chairman, the community colleges,
11 we have some people that are concerned about our percentage 8.5 percent is
12 higher, and with the seed money we'll be able to get a grant to continue the
13 program for four more years. You're absolutely right, it's helped everyone.
14 It's helped high schoolers, and we have the numbers to prove it. Thank you.

15 DAVID MATLOCK: I'm David Matlock from Virginia
16 Highlands Community College. I want to say thank you for your support of
17 the 400,000 in the past and in the future. We have spent a hundred percent
18 of that money on scholarships. In fact, in Southwest Virginia all three
19 community colleges, a little over 71 percent of all high school graduating
20 seniors started their educational career at local community colleges. Across
21 the Commonwealth, 64 percent of all graduating students in the state of
22 Virginia attend local community colleges. The Virginia community college
23 system takes pride in saying that we're ready to handle the enrollment.

24 My second comment, and I'd like to make a comment about the career
25 coaches. We did not use any of our tobacco money when we started this

1 career coaching initiative. We've started these career coaching programs
2 with everyone of our high schools with part-time employees, and we had the
3 fourth highest increase in Virginia community college enrollment. If you're
4 looking for a pilot place to begin, some of the recommendations for your
5 consideration. Virginia Highlands Community College would like to
6 expand our career coach program, and I look forward to submitting a grant
7 on September 1 for it, and thank you for your support.

8 SENATOR RUFF: Something tells me there'll be several of
9 them. Thank you for waking them up.

10 Anything further?

11 MS. STANLEY: I'm Donna Stanley, Mountain Empire
12 Community College. I'd like to thank you for your support, and we
13 appreciate all the consideration you've given us. I'd like to speak about the
14 SAT prep classes that were mentioned. When you can, look at these
15 evaluation reports. There are some federal programs out there that support
16 SAT prep classes in high schools. It may be sponsored by some of the high
17 schools, but that activity is going on. I also look forward to getting to the
18 evaluation of the Community College Scholarship Program. In our school
19 we totaled up the number of scholarships and the recipients. Since the
20 beginning of the program until May of this year we've already had 2,448
21 students benefit from the scholarships. When you multiply that times seven,
22 there are a lot of numbers that you didn't hear about today who are
23 beneficiaries of this program. So, we thank you, and you've done a great
24 job.

25 SENATOR RUFF: Are you all spending a hundred percent of

1 your money on scholarships?

2 MS. STANLEY: We are now.

3 SENATOR RUFF: For tobacco families, or anyone?

4 MS. STANLEY: Actually, ours is a split. We split ours.
5 We've got some issues trying to get to students earlier and encourage them
6 to take classes that they need to take before they get to the point where
7 they're entering college. Then we also have a Stafford Scholarship Program,
8 which is being funded entirely for tobacco families.

9 SENATOR RUFF: You all have the same problem with
10 declining numbers of families which are actually tobacco families.

11 MR. BENNETT: Mr. Chairman and members of the
12 Committee, I wanted to say hello. I see former members of the House and
13 Senate. It's good to see Mr. Fields and Mr. Stallard are still here hoeing this
14 row. I'm here in a different capacity, because I became the Executive
15 Director of the Southern Virginia Higher Education Center this past January.
16 We're moving pretty fast, and I was most impressed, Cathy, with your effort
17 to pull that data together. That's something we very much need and want to
18 do in South Boston for Southside.

19 Mr. Chairman, I hope we'll be able to assist you all in what you're
20 trying to accomplish in all your efforts. Appreciate you, and I'm very proud
21 of the work you do.

22 MR. CHRIS EZELL: I'm Chris Ezell from Danville
23 Community College. With the scholarships we have offered in the last
24 several years, and we've supported other educational opportunities, and also
25 our nursing program ,and we thank you, very much.

1 MR. COLEMAN BROWNING: Coleman Browning, Patrick
2 Henry Community College. I'm here in place of Kathleen Smith, who is
3 retiring, I'm trying to fill her position, and I'd just like to say that we
4 appreciate everything that the Tobacco Commission has done. Thank you.

5 MR. BILL DUGGANS: Bill Duggans, Virginia Tech, I'm
6 going to be writing to you a proposed project for creating robotics clubs in
7 Southside and Southwest, and that's from the fifth through ninth grade,
8 trying to introduce children to the joy of trying to explore technology. You
9 mentioned earlier about intervention, and giving people a chance to reach
10 their aspirations and goals. This is one vehicle that we've been very
11 successful. The older technology is being phased out, and this is the new
12 technology, includes robotics. It's relatively inexpensive robotics
13 technology, so the future is wide open.

14 MS. JULIE BROWN: I'm Julie Brown. As far as the tobacco
15 program and the scholarships, I'd just like to say, on behalf of all the citizens
16 of Southside receiving funds, I'd like to thank you very much.

17 SENATOR RUFF: Anyone else? All right, then we're
18 adjourned.

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PROCEEDINGS CONCLUDED.

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CERTIFICATE OF THE COURT REPORTER

I, Medford W. Howard, Registered Professional Reporter and Notary Public for the State of Virginia at large, do hereby certify that I was the court reporter who took down and transcribed the proceedings of the **Virginia Tobacco Indemnification and Community Revitalization Commission Education Committee Meeting when held on Thursday, June 22, 2006 at 1:00 p.m. at the Bedford Area Welcome Center, Bedford, Virginia.**

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

Given under my hand this day of July, 2006.

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

My Commission Expires: October 31, 2006.

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