

1 **VIRGINIA TOBACCO INDEMNIFICATION**
2 **AND COMMUNITY REVITALIZATION COMMISSION**

3 701 East Franklin Street, Suite 501
4 Richmond, Virginia 23219

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8 **Education Committee Meeting**

9 Wednesday, July 28, 2010

10 3:00 p.m.

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13 Hemlock Haven Conference Center
14 Marion, Virginia

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1 **APPEARANCES:**

2 The Honorable Frank M. Ruff, Chairman
3 The Honorable Phillip P. Puckett, Vice Chairman
4 Ms. Linda P. DiYorio
5 Mr. Scott Harwood
6 The Honorable Joseph P. Johnson, Jr.
7 The Honorable Harrison A. Moody
8 Ms. Cindy M. Thomas
9 The Honorable Thomas C. Wright, Jr.

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11 COMMISSION STAFF:

12 Mr. Neal Noyes, Executive Director
13 Mr. Ned Stephenson, Deputy Executive Director
14 Mr. Timothy Pfohl, Grants Program Administration Manager
15 Ms. Stephanie Kim - Budget Director
16 Ms. Stephanie Allman - Program Administrator
17 Ms. Sara Williams - Grants Coordinator, Southwest Virginia
18 Ms. Sarah Capps - Grants Coordinator, Southside Virginia

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20 COUNSEL FOR THE COMMISSION:

21 Mr. Francis N. Ferguson, Esq.

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1 SENATOR RUFF: I'll call the Education
2 Committee to order, thank you all for coming.

3 Neal, would you call the roll?

4 MR. NOYES: Delegate Abbitt?

5 DELEGATE ABBITT: (No response.)

6 MR. NOYES: Ms. Barts?

7 MS. BARTS: (No response.)

8 MR. NOYES: Ms. DiYorio?

9 MS. DIYORIO: Here.

10 MR. NOYES: Mr. Hamlett?

11 MR. HAMLETT: (No response.)

12 MR. NOYES: Mr. Harwood?

13 MR. HARWOOD: Here.

14 MR. NOYES: Delegate Johnson?

15 DELEGATE JOHNSON: Here.

16 MR. NOYES: Mr. Moody?

17 MR. MOODY: Here.

18 MR. NOYES: Senator Puckett?

19 SENATOR PUCKETT: Here.

20 MR. NOYES: Senator Ruff?

21 SENATOR RUFF: Here.

22 MR. NOYES: Ms. Thomas?

23 MS. THOMAS: Here.

24 MR. NOYES: Delegate Wright?

25 DELEGATE WRIGHT: Here.

1 MR. NOYES: Mr. Chairman, you have a
2 quorum.

3 SENATOR RUFF: I noticed there were a
4 couple of new names you mentioned, Neal. One was Ms. Barts
5 and Mr. Hamlett. Ms. Thomas has been on the Commission
6 before. We certainly welcome everyone and hope they'll be
7 involved.

8 Before we do the Minutes, I would like to mention
9 that tomorrow I will be giving the Chairman of the Commission
10 an award that we won from the Southern Growth Policy Board
11 for the four-year education program, and that involved the
12 scholarship program. We received it in Louisville in April. So
13 we'll make that presentation tomorrow. I want to thank
14 everyone involved in that.

15 The approval of the Minutes is the next item on your
16 Agenda, and that's October 13th of last year.

17 DELEGATE JOHNSON: So moved.

18 MR. MOODY: Second.

19 SENATOR RUFF: It's been moved and
20 seconded that the Minutes be approved. All those in favor?
21 (Ayes.) Opposed? (No response.)

22 All right. Ned, you're going to speak on the
23 scholarship rules?

24 MR. STEPHENSON: Thank you, sir. Let
25 me draw your attention to a page in your book, page number

1 six. Members of the Committee, page number six is a sheet
2 that you see each year that defines the basic elements of the
3 four-year scholarship program, and we're asking you to look at
4 this and consider approving some changes that we made from
5 last year to this year. The proposed changes are shaded on
6 your page, but they are not substantial. Probably the most
7 significant change, if you look down in the body of that text of
8 that page, you will see that the dollar amounts are shaded. I
9 want to tell you that all of those dollar amounts that appear
10 before you are 10 percent more than they were last year. We
11 do not raise the amount every year, and it was suggested to
12 us, because of generally rising tuition costs, that we could be
13 falling behind. We have put before you basically a 10 percent
14 increase in the aggregate amount of the grant and the 10
15 percent increase in the amount that each student can get.
16 Other than that, there was a minor change up at the top. We
17 can talk about it if you wish. We're putting this in front of the
18 Committee, and it's the Staff's recommendations for changes
19 to the scholarship program, Mr. Chairman.

20 MR. NOYES: Mr. Chairman, the 10
21 percent increase was indexed to the average of the tuition
22 increase in the Commonwealth's institutions. It's accounted
23 for in the budget as adopted in April of the current fiscal year.
24 This is something that has been planned as far back as April;
25 you're just seeing it now for your approval.

1 SENATOR RUFF: If somebody could
2 review with us how we met the requests for the last year, in
3 the current round of monies that we have.

4 MR. STEPHENSON: I think I can do that.
5 It's a little complicated, but let me try this. School year '07-
6 '08.

7 SENATOR RUFF: We can answer that
8 question, but my greatest concern is, are we satisfying the
9 needs of all those that have applied or are applying?

10 MS. BREEDING: Not from the Southside.

11 SENATOR RUFF: Tell us what's
12 happening, so we'll know.

13 MS. BREEDING: Mr. Chairman, last year
14 we exceeded the number of awards that came forth, a little
15 over 200,000 of the initial funding for folks who had met the
16 requirements but did not get the paperwork in on time. This
17 year we took in more applications than we could fund between
18 March the 1st and March the 26th. That's for fiscal year '11.
19 So we've gotten people that have called and did not get the
20 paperwork and didn't get the applications in. We do have
21 some monies we can offer at the end of this funding cycle. In
22 Southwest we're meeting the needs there; we still have some
23 funds left over.

24 DELEGATE JOHNSON: Southwest met
25 the mark, we had enough, they spent all of their money?

1 MR. STEPHENSON: Delegate Johnson, I
2 think the issue before us is the four-year scholarship money,
3 and David is going to be on the Agenda later for community
4 college scholarship money.

5 DELEGATE JOHNSON: I withdraw the
6 question.

7 MR. STEPHENSON: I think I can help
8 the Committee a little bit. I have some numbers that I want to
9 present. Each year the amount of money you provide for
10 scholarships is typically over-prescribed or under-prescribed,
11 depending on what's going on in that particular year. For the
12 school year ending in '08 and the school year ending in '09,
13 Southside was under-prescribed by about \$500,000. That
14 means they had about \$500,000 left over. They satisfied
15 everybody and had about a half million left over in those two
16 school years, more in one than the other. In the school year
17 ending in 2010, they have been over subscribed by about
18 \$350,000, but we won't know what that number is until we
19 close out the year we're in right now.

20 Staff is wanting to suggest to you that you take
21 leftover money in years '08 and '09 which have been closed out
22 and sweep them forward into the 2010 year to cover the over-
23 subscription in that particular year. Once we close that out, if
24 there's anything left it goes back in the general education
25 fund.

1 SENATOR RUFF: That's all well and
2 good, but if we have closed the window in less than a 30-day
3 period, and as a parent I will tell you that particularly with
4 first kids going to school, the issue does not come up until
5 later than March. That's when your potential first-year
6 students, what are you going to do with the money. So we've
7 effectively closed out, I see the nodding heads, what I'm seeing,
8 we've effectively closed out about every freshman. Is that a
9 fair statement?

10 MS. FIELDS: For Southside that is
11 correct; we've received more applications than we have funding
12 for.

13 SENATOR RUFF: If you profile them all,
14 are they seniors, or juniors, sophomores, freshmen?

15 MS. FIELDS: No, because this still goes
16 through the application evaluation.

17 SENATOR RUFF: How many particular
18 applications have come in since the window closed?

19 MS. FIELDS: None, they can't apply. We
20 have had approximately 30 calls saying I didn't know it closed
21 out, when does the application close. The thing I can say
22 there is that we sent the notices on the Internet the week
23 before March 26th. So folks have been calling, and we do have
24 that list. I don't expect to have any funding left for more than
25 30 people, if I have that much.

1 SENATOR RUFF: If I saw the window
2 closing and shut, I don't know if I'd call.

3 DELEGATE WRIGHT: There are two
4 concerns. Is there any way to help the students that would
5 have applied and they could call if money was available, they
6 could use it. If we can't help them, I would suggest or
7 consider appropriating more money than the \$500,000 that
8 was mentioned. If we don't appropriate more money, we're in
9 the same position again. There ought to be something we can
10 do to provide more dollars if we need it and if enrollment is
11 going up. I'm just trying to offer a solution, and that's my
12 point. Some go to the community college because they can't
13 afford to go to a four-year college.

14 DELEGATE JOHNSON: I feel the same
15 way. If there's a need, we should find a way to do this, like
16 this 500,000. Whether or not we find some way, if we have
17 these people backed up and we all agree that this program is
18 one of our best programs we've done, we ought to be able to
19 find some way to get a few more dollars in there. If people are
20 showing interest, then we need to address that. That's my
21 thought.

22 SENATOR RUFF: I guess my greater
23 concern is moving forward, talking about a 10 percent
24 increase for those that are lucky enough to get it. We're
25 servicing a smaller pool. The question is do we broaden the

1 pool and make it more shallow, or do we subtract it and make
2 it deeper. That's the essence of the discussion.

3 DELEGATE JOHNSON: My thought on
4 that would be that we should open it up so more students
5 could qualify, Mr. Chairman, rather than raise it and enough
6 money to pay for it. I think it's unfair if we have ten and all of
7 them apply and nine get it, and the other one who may be the
8 most needy does not get it. The playing field should be level
9 for all.

10 MS. DIYORIO: This may not be in the
11 future, but could we keep a list of all those people that make a
12 request for funding?

13 SENATOR RUFF: That has to be
14 weighted against raising people's expectations that something
15 will occur.

16 MS. DIYORIO: So the record would be
17 open.

18 MR. STEPHENSON: Mr. Chairman, from
19 a management perspective, we asked the Scholarship
20 Administrator to close the window and after they close the
21 window to render an accounting to us at a certain point in
22 time. That way we can find out whether we're long or short
23 and deal with the money that is left over. It would seem that if
24 you wish to accommodate some of the latecomers, simply
25 moving the window closing date later would do that, but there

1 needs to be some date on which they close and account for it
2 and report to us. We don't care how long that is, just so there
3 is one. If that needs to be August for people that wake up to
4 find the money to go to school in September, that's okay too,
5 and we'll push our settlement date out a couple more months.
6 We just need a date.

7 DR. FOWLKES: I was going to say maybe
8 another way to help with your concerns about freshmen not
9 having that window of opportunity we could delay opening it
10 until March the 1st or from March the 1st to April the 1st.
11 Many college students don't know until after April the 1st if
12 they have been admitted and accepted. If we put the opening
13 date forward to April, April the 1st, then that would give
14 everyone more of an equal playing field for the applications.

15 SENATOR RUFF: Does that cause you
16 any problems?

17 UNIDENTIFIED: It should not. This year
18 there were over 3,000 Southside Virginia seniors who
19 graduated from high school. If we funded every one of those
20 with scholarship money, there might not be funding for other
21 class members.

22 SENATOR RUFF: I understand that.

23 MR. NOYES: Let me make sure I
24 understand this. Within the window, it closed the 26th, and
25 on your website you had 30 more qualified applicants than

1 you had money to fund?

2 MS. BREEDING: No, I had 1252 active
3 applications, with the lowest amount I can fund 875. If they
4 get full awards, I can fund 875. With the half fund I can fund
5 up to 770, I think it is. I'm not going to be able to fund every
6 one of those applications. There have been those that dropped
7 out because of the GPA. They went to a community college,
8 and there has been some attrition and those that fall by the
9 wayside. I won't know until August, I think it's 552
10 applications we have gotten the paperwork back, and those are
11 solid.

12 MR. NOYES: If the Education Committee
13 is going to meet again ahead of the October meeting, by that
14 time if you go with the recommended amount, the 10 percent
15 increase, you should have almost perfect certainty the number
16 of dollars that would be required to accommodate all of that,
17 was it 1200 or something, or 1252, then we'll know at that
18 time what we need to do from the balance of the Education
19 budget for the fiscal year to accommodate everybody that
20 applies within that time frame. It's really a separate question,
21 moving it to an April, I think we can do that. Is that correct?

22 MS. FIELDS: Theoretically, yes. But is
23 the 10 percent going to be applied to the current funding cycle
24 or not until when?

25 MR. STEPHENSON: The 10 percent

1 proposed is for the year ending in 2012, '11 and '12, not this
2 time.

3 MR. NOYES: We're not doing it
4 retroactively. We're going to use the balance of the funds from
5 the previous fiscal year to deal with that group.

6 SENATOR RUFF: Let me clarify this, the
7 38 or the 3.8 figure is 10 percent increase from the year
8 before?

9 MR. NOYES: Yes, it is.

10 SENATOR RUFF: Rather than hard
11 numbers on the first two lines, would it work to approve that
12 figure and see what works through the rest of this year and
13 then at the October meeting set the amount of the actual
14 scholarship?

15 MR. STEPHENSON: We certainly could
16 do that.

17 SENATOR RUFF: Does someone want to
18 make that motion?

19 DELEGATE JOHNSON: I'll make the
20 motion.

21 MR. HARWOOD: I'll second it.

22 SENATOR RUFF: The motion is that we
23 approve the two dollar amounts for the scholarship program,
24 1.375 for the scholarship forgivable loan program and 3.85 for
25 the school years '11-'12, and that's the motion. Any further

1 discussion? All in favor say aye ? (Ayes.) Opposed? (No
2 response.) I assume nobody would have a problem if we
3 change the language at the top of that page, "permanent
4 residents" to "legal residents" of the U.S. and a 12-month
5 citizen of Southside and Southwest.

6 DELEGATE WRIGHT: I so move.

7 DELEGATE JOHNSON: I'll second it.

8 SENATOR RUFF: We've got a motion and
9 a second, any discussion? All in favor say aye ? (Ayes.)
10 Opposed? (No response.) That motion carries.

11 Now, the carryforward issue, do you want to go
12 through the numbers?

13 MR. NOYES: '07-'08, the balance was
14 423 thousand and change, for '08 and '09, 71 and change.
15 Looks like a total of 494. The estimated overage at this point
16 is 356,000. That's for the current group where we weren't able
17 to fund as many as applied. So we take the balances, the
18 \$494,626.28 and we apply that to the estimated overage, still
19 an estimate, \$356,416.00, the balance to go back into the
20 Education budget.

21 SENATOR RUFF: Anyone have a problem
22 with that?

23 MR. MOODY: Just one question. Does
24 that count the ones that didn't make the deadline?

25 MR. STEPHENSON: Those balances are

1 for the school years that have been closed out. There is no
2 chance of getting any more.

3 MS. KIM: That's closed out.

4 MR. MOODY: That's '10 and '11.

5 MS. KIM: This doesn't address the
6 current allocation.

7 MR. STEPHENSON: We won't know
8 where we are for '10 and '11 until time passes.

9 SENATOR RUFF: We could take that
10 action at the October meeting.

11 DELEGATE WRIGHT: I so move.

12 SENATOR RUFF: We have a motion and
13 a second. Any discussion? All those in favor say aye? (Ayes.)
14 Opposed? (No response.) Does that take care of the four-year
15 plan?

16 MR. STEPHENSON: Yes.

17 MR. NOYES: We made one decision on
18 the budget, that being the amount. In 2011 that totals 5.225
19 million.

20 MR. STEPHENSON: Correct.

21 MR. NOYES: The four-year program, is
22 that right?

23 MS. KIM: Yes, that was just approved.

24 MR. NOYES: We now need to deal with
25 the community colleges. After working with some of the

1 community colleges, there is really two parts to this. One is
2 the funding part, and I'll speak to that now. Staff would
3 recommend a cap going forward for the applications that are
4 coming in, due August 16th. A cap from the community
5 colleges on the financial aid, 350,000 for any community
6 college. It doesn't mean they have to apply for 350 and that
7 would be the cap for it. The idea would be that the Staff would
8 recommend indexing that to tuition increases going forward.
9 This is the financial aid. Outside of that, community colleges
10 are free to compete in the competitive round for additional
11 funds for programs, not for financial aid. So establishing a
12 predictable baseline so community colleges can plan going
13 forward to getting in the upcoming round \$350,000 each, and
14 that would be a total of \$2.8 million, up to \$350,000 each for
15 eight community colleges. If the community college did not
16 ask for that much, those funds would be available in the
17 competitive round. That's one piece of it.

18 Also, priority should be given in the use of these
19 funds for full-time students. Again, the community colleges do
20 this on a need basis, but focus first on satisfying those who
21 are full-time students. Doing three hours or six hours or
22 something when the objective of the Commission is to
23 transform the tobacco-dependent regions, that will happen
24 faster graduating people with degrees and certificates than it
25 will stringing it out for years and years and awarding part-time

1 students.

2 Those are the two components that as a Staff we
3 think are important going forward. It is to give people an idea
4 of what the cap is for the applications that are due here in two
5 and a half weeks.

6 If financial aid is needed for other than the
7 academic programs, then what Staff would like to see is a cost
8 share. In other words, if you're working with companies and
9 things like that, some sort of a cost share arrangement. Staff
10 has recommended that with committees that met a few weeks
11 ago, and those committees have approved that approach to
12 that particular type of project. So, by way of guidance
13 forward, the motion that I would invite would be that
14 \$350,000 cap for the upcoming year, with priority given to full-
15 time students. It doesn't mean it can't go back up, once the
16 full-time is satisfied, go back down, 350 is the cap. We'd invite
17 that motion.

18 MR. MOODY: I so move.

19 SENATOR RUFF: It's been moved, is
20 there a second?

21 SENATOR PUCKETT: Mr. Chairman,
22 what's the rationale in dropping the 400,000 to 350. Some
23 had gotten more than 400,000. I've got five community
24 colleges in my district, and I believe it's correct that most all of
25 them use this for tuition. Ned, thank you for giving me clarity.

1 They've used all of that. I think we all would agree that the
2 pressure on the community colleges this year is greater
3 because there are lots of kids that won't be able to afford a
4 four-year institution. It's just not going to work moneywise. It
5 seems to me we ought to be going in the other direction. I'm
6 not going to support the motion to take it down to 350. I don't
7 object to making a priority to full-time students. Keep in mind
8 that what we're doing here is the last dollar. Whoever is
9 applying for scholarship money at the community colleges and
10 four-year colleges, they've got to get money from everywhere
11 else they can get it before they come to the Tobacco
12 Commission. I don't think it's right to be reducing the money
13 that the community colleges get. It's not a huge figure, but it
14 could make a big difference to whether somebody is going to
15 get it, and we've just heard these figures now, and we've heard
16 figures about who is over and who is under. I wouldn't
17 support reducing that, and I think it should be at least
18 400,000. I think the community colleges ought to be funded
19 with at least what they were a year ago, in view of the fact that
20 we all are, I think, acknowledging we're going to have more
21 students than we thought, and I know they've acknowledged
22 they're going to have more students that they thought in
23 comparison to last year because of costs at a four-year
24 institution. I just don't think it ought to be lowered. I'd like to
25 hear a good reason for it.

1 SENATOR RUFF: We have a finite
2 amount of money in the Education Committee; we can only
3 spend it one time. Certainly the scholarships are of an
4 enormous value, but of no less value are the programs that
5 have been, very, very effective at producing jobs for people.
6 Those programs such as the nursing program, the heavy
7 equipment program, if we had not put money in those to get
8 those started, they wouldn't be operating today. We now have
9 far more nurses than we had before. The people driving heavy
10 equipment are making enough to take care of their families.

11 As we move forward as a region, it's extremely
12 important that we develop programs that meet the challenges
13 of the manufacturing community, and it certainly is the
14 manufacturing community that we want to attract. If we put
15 ourselves in a strait jacket, we don't have the funds to fund
16 those new programs, and I think we might be a little short-
17 sighted.

18 MR. NOYES: If I may respond. Senator
19 Puckett, there's no right or wrong here. We can set it any
20 place that represents an average over the last couple of years,
21 what the level has been. I certainly concede the point that
22 community colleges will have more students, will have more
23 demand now than they had last year. If you want to offer a
24 friendly amendment to increase it, I suppose that would be
25 fine. We're not trying to do this in a punitive way, but we're

1 trying to say don't come in here and ask for five or six or eight
2 hundred thousand dollars, which is what would happen if
3 some of the community colleges saved some money for
4 program support. Three fifty is no more the right number
5 than three hundred or four hundred. That reflects where
6 we've been the last few years in terms of demand for financial
7 aid.

8 SENATOR PUCKETT: I agree that the
9 programs are important, but to me it's more important that
10 the kids be there. I don't care how many programs you've got,
11 if you're going to have kids that are left out because they can't
12 afford to get there programs are not very good and it doesn't do
13 what we want it to do.

14 I would like to make a substitute motion. That is
15 that we leave the funding at the community college level and
16 at least what the community colleges were getting last year
17 and in view of the fact that we all I think agree that there's
18 going to be a lot more pressure on the community colleges to
19 educate our young people. I'll speak particularly to
20 Southwest. We tailor ours a lot still to the tobacco families,
21 but I think we're going to make a mistake if we cut funding for
22 tuition. We've already heard in the last year we lost people,
23 whether they applied too late or whether they applied on time,
24 we didn't have enough money for them. I renew my motion to
25 leave the community colleges scholarship funding at the

1 present level for each of the community colleges.

2 DELEGATE JOHNSON: I second that
3 motion in order to get it on the table for discussion. I'd like to
4 call on Mr. David Matlock from the Highlands Community
5 College to give us his thoughts on whether or not the 350 is
6 sufficient.

7 MR. MATLOCK: First off, I want to say
8 thank you for your continued support, and we do welcome you
9 to Southwest Virginia. We've got a predictable base line, and
10 we wished for that for years, and we're very excited that this
11 came to fruition, so thank you. Last year we had requested
12 400,000 for Virginia Highlands, but because of funding I think
13 our grant was approved at 350. The community college
14 system saw tremendous growth last year. I think the
15 community college system right now in the Commonwealth of
16 Virginia is a little over 70 percent of all undergraduate
17 enrollment takes place at the local community college. So
18 we've seen tremendous growth. With the budget situation
19 we've also seen a tuition increase. So I would say to all the
20 members, and I can't speak for all the community colleges, but
21 at Virginia Highlands if I went home and told my president,
22 students and admission people that we had this predictable
23 baseline, 350,000; we couldn't live with that. However, there's
24 a chance we'll have to tell some people no, just like what
25 happened at Southside with their loan forgiveness program.

1 Last year I requested 400,000 because when I worked on the
2 funding model what I projected our enrollment needs to be,
3 and 400,000 would be more than adequate. Again, we're a
4 last dollar program.

5 DELEGATE JOHNSON: You understand
6 we've got 350, or you'd get that, and then another fund would
7 be available for the competitive round. Do you understand the
8 mechanics of that?

9 MR. MATLOCK: Yes, sir, and I feel very
10 pleased, and at least for Virginia Highlands Community
11 College, and I can't speak for the others, but at least for my
12 president at Virginia Highlands if I knew that I had a
13 predictable baseline of 350 that I could compete in the
14 program area for additional monies, I think my president
15 would be satisfied with that.

16 MR. NOYES: Three fifty, you'd like 400,
17 but with the understanding that the recommendation would
18 be we would index that going forward.

19 MR. MATLOCK: Senator Puckett makes a
20 wonderful point. I don't know what our following is going to
21 be, we saw a double digit increase. I don't want to sound
22 greedy; I'd like everyone to be happy here.

23 SENATOR RUFF: Let me ask a couple of
24 questions. I want to know how the economy is affecting your
25 ability to tap into such things as the Pell Grant?

1 MR. MATLOCK: The Pell Grant is set by
2 the federal government. They have indexed it and increased it
3 for the upcoming year.

4 SENATOR RUFF: Increased it, but are
5 more people applying for it now, qualifying for the Pell Grant
6 that didn't two years ago? How much of a factor is that in
7 your classes?

8 MR. MATLOCK: I can say that in
9 Southwest, Southwest community colleges, Mountain Empire,
10 Virginia Highlands and Wytheville, we had a very high
11 percentage of the neediest students in the state, probably
12 more so than any other region in the area. There are a couple
13 of our community colleges in Southside and the other part of
14 the state that have a very high number also. That probably
15 didn't answer your question. Our enrollment increased about
16 14 percent last fall. For me to say I know exactly how many of
17 those people were Pell-eligible and how many were not, I'd
18 have to go back and research that.

19 SENATOR RUFF: Delegate Wright made
20 a point. Some people are going to the community colleges
21 because they can't afford to go to a four-year college. I think
22 we can agree. Would those people qualify for Pell Grants? I'd
23 like for some of you sitting back there to give me some kind of
24 answer.

25 SENATOR PUCKETT: Mr. Chairman, let

1 me take a stab at that. I talked with four of the community
2 colleges present and represent all of them. I think all of them
3 would say Tobacco Commission money is really important and
4 if they can get the Pell Grants that is fine. If that meets their
5 needs, that's fine, too. But if they come to us after that and
6 need money, we'd like to have that but have at least what we
7 had a year ago. I think personally we're going to see pressure
8 on community colleges as far as the enrollment simply
9 because of the economy. To answer whether somebody would
10 get a Pell Grant or get more people, I don't know if anybody
11 has an answer for that.

12 SENATOR RUFF: Maybe somebody
13 wants to quantify that a little bit.

14 SENATOR PUCKETT: To me, Mr.
15 Chairman, it doesn't make any difference, because if they get
16 that grant and it satisfies their needs --

17 SENATOR RUFF: -- But at the same time
18 we need to block money out for programs, then, then we're not
19 spending the money as efficiently as we should.

20 MS. STANLEY: If we look at the tobacco
21 family scholarship program, if you look at which students were
22 Pell-eligible, they basically have their tuition, the tobacco
23 families have their tuition covered with Pell or other financial
24 aid, that will be about half of them. The ones that we're
25 serving primarily with Tobacco Commission money, we've been

1 in the past serving all of them, Mountain Empire had a little
2 bit. But with the change, money would shift towards those
3 moderate income families, about half of the population of
4 tobacco families that would fit that tobacco definition. Does
5 that answer you question?

6 SENATOR RUFF: Maybe around it a little
7 bit.

8 MS. ELKINS: Senator Ruff, the same for
9 Southside, about half of our students who applied for a
10 tobacco scholarship had other types of need-base aid. About
11 half are served with tobacco scholarships.

12 DELEGATE WRIGHT: What are your
13 comments or your thoughts about lowering this cap?

14 MS. ELKINS: It will not affect us because
15 we will have the same amount of scholarship aid. We will be
16 able to meet our needs because we used about 100,000 a year,
17 so it really won't affect us.

18 SENATOR RUFF: Now, Ned raised a
19 question. I think he said the Southside was probably on par
20 on the economic level?

21 MR. MATLOCK: That's an assumption.

22 SENATOR RUFF: You're spending a
23 hundred thousand and you're spending 350.

24 MS. ELKINS: He has so many more
25 tobacco farmers than we do. He has so many more eligible

1 people. That's what I understand, because when we first
2 started doing this, I didn't understand why there was so much
3 need in Southwest until I found out that the type of tobacco or
4 the people that raise six acres or ten acres of tobacco, we don't
5 have as many tobacco families.

6 MR. MATLOCK: I think that one question
7 was answered. For my institution to be funded with what I got
8 last year indexed, that's a great proposal for Virginia
9 Highlands Community College. I think I could serve my
10 student population knowing that sacrifices have been made.

11 DELEGATE JOHNSON: As I understand
12 you, the proposal for 350,000 plus the opportunity to compete
13 for other money, you could live with it?

14 MR. MATLOCK: Yes, sir.

15 MR. NOYES: The base line, whatever it is
16 the Committee establishes and the full Commission approves
17 that the community colleges or any of the eight within the
18 footprint could anticipate that the funding would be
19 implemented in order to accommodate the indexing going
20 forward, whether it's predictable going forward. That's the
21 proposal.

22 MR. MATLOCK: Predictability is key for
23 us, it's key for us.

24 MR. NOYES: I heard you.

25 MS. THOMAS: For information purposes,

1 does each college anticipate getting 350,000? Do they have to
2 show a need for how much they get?

3 MR. NOYES: They would make
4 application based on their projections, not to exceed 350,000,
5 if that's what this Committee decides. They do their own
6 predictions when they apply, and that application is due in
7 August and considered at the October board meeting for
8 approval.

9 MS. THOMAS: What happens to these
10 funds if they are not used?

11 MR. NOYES: They go back into the
12 general pool for the Education Committee.

13 DELEGATE JOHNSON: Mr. Chairman,
14 what kind of funds do we have that they can compete for?

15 MR. NOYES: The balances that would be
16 available based on 350.

17 MR. STEPHENSON: Four million dollars.

18 MR. NOYES: Four million forty-one
19 thousand would be in the competitive pool and available, not
20 for financial aid but for program support. That has nothing to
21 do with the current discussion.

22 SENATOR RUFF: Other than the fact
23 that it raises, if the Committee votes to make it 400,000, then
24 it reduces that four million.

25 DELEGATE WRIGHT: I could not support

1 what Senator Puckett said, but also in my area we have a lot
2 of folks in the nursing program and the heavy equipment
3 program, and I know one of the programs is in jeopardy
4 because funds are tight, so I'd be in support of the motion.

5 SENATOR RUFF: The original motion or
6 the Staff recommendation was that the community colleges
7 apply up to 350,000 for financial aid. The substitute to that
8 would change that number to 400,000. That has been
9 properly seconded. The issue before us is do we accept the
10 \$400,000 figure.

11 DELEGATE JOHNSON: I think, based on
12 what Mr. Matlock said, 350 plus the competitive part is more
13 sensible, so I'd like to withdraw my second to the earlier, if you
14 recall earlier I seconded that motion to get it on the table for
15 discussion. I would be in favor of the original motion.

16 SENATOR RUFF: In fairness, I think we
17 need to, the motion was made and someone seconded it.

18 MR. NOYES: This is for the 350 and
19 priority for financial aid to full-time students, not restricted
20 only to full-time students.

21 SENATOR PUCKETT: Mr. Chairman,
22 speaking to the motion for the 350. As you heard me say
23 earlier, I have five community colleges in the 38th senatorial
24 district, and it's probably the poorest of the senate districts
25 across Southwest, certainly in the burley region. I think we're

1 getting ready here to shut the door on some people who need
2 some assistance in tuition. I might be wrong, and I hope I am
3 wrong, but to say that we're going to give them less than what
4 we did last year, we all agree I think that we'll have more
5 students, it doesn't seem to me to make much sense. I
6 understand you have another pool of money, but keep in mind
7 you can't use that money for tuition. It's got to be used for
8 other programs and not tuition. Because of that I'm going to
9 vote no. I hope other people consider that, too.

10 SENATOR RUFF: Any further
11 discussion? We're back to the original motion for the 350,000,
12 maximum of 350,000 per community college for funding. All
13 those in favor say aye? (Ayes.) Opposed, no? (Nos.) The
14 motion carries.

15 MR. NOYES: We have \$4 million or a
16 little bit more, applications are due August 16th. I don't think
17 we set a Committee date. Michelle will be contacting you for a
18 Committee meeting about mid-October, then the full
19 Commission. We'll have the recommendations the end of
20 October.

21 DELEGATE WRIGHT: I'd like to make a
22 comment on the budget. I think we should make every effort
23 to try to put more money in the Education budget. When you
24 consider the things the Tobacco Commission does we always
25 seem to find money for other areas, and compared to some of

1 these other areas we're spending money in, this is peanuts, so
2 to speak. I think we should make every consideration to
3 increase the amount of money for education.

4 SENATOR RUFF: What was the
5 difference between this year and last year?

6 MR. NOYES: We had \$9 1/2 million in
7 last year's budget and \$12 million this year.

8 SENATOR RUFF: All right, what's the
9 next item?

10 MR. STEPHENSON: Members of the
11 Committee, the community colleges use your money for
12 scholarships. Those scholarships fall roughly into two
13 different classes. One of those is tobacco family scholarships,
14 the other class is everything else. I want to talk to you for a
15 minute about the community college tobacco family
16 scholarships. We've been doing this for some 11 or 12 years
17 now, and it is true that there is no uniform set of rules by
18 which community colleges administer their tobacco family
19 scholarships. Each community college, in the spirit of doing
20 what you considered best, administers tobacco family
21 scholarships according to the rules that they believe they
22 should be using, but they are not consistent across the region.

23 Some months ago we met with several of the
24 community colleges' leadership personnel and asked them to
25 help us form some uniform definition of what a tobacco family

1 is, who gets the money, how much and when and under what
2 circumstances. Thanks to the efforts of a volunteer, David
3 Matlock, he stepped up and said that he would lead his peers
4 to try to come up with some uniform set of guidelines. David
5 has done that, and they appear in your book on page eight. I
6 will tell you that whenever you create a uniform set of
7 guidelines there are going to be what we might call winners
8 and losers, because there are people that were doing it
9 differently from these guidelines and are not going to like the
10 guidelines, and there are others who are going to like them.
11 This set of guidelines, and I think David will tell you, and I'm
12 asking him to speak freely, it's the best that they could come
13 up with, but it doesn't fully satisfy everyone in the community
14 college system. I think you may hear today from some
15 members of the community college system who may want to
16 tell you why this set of rules doesn't work for them, and you
17 may agree or disagree with them, but for each one who stands
18 up, and I think they are defending naturally the way that they
19 would like to do things, they want to do it their way in their
20 community. I think the question for you is whether or not you
21 want a uniform set of rules and guidelines for tobacco family
22 scholarships in the community colleges or whether you want
23 to leave it as a patchwork and let the community colleges each
24 one administer this as they might choose. That's sort of the
25 question before you, and we've brought this set of guidelines to

1 you from the community colleges, it's on the table for
2 consideration and in a motion if it please the Committee.

3 SENATOR RUFF: David, would you like
4 to add anything to what Ned said?

5 MR. MATLOCK: I would just add that
6 involves the entire team of community colleges, so it's a group
7 effort.

8 SENATOR PUCKETT: I briefly read
9 through this earlier, and it seems to me, and I guess I could
10 direct this to Ned or David, it's pretty much the guidelines
11 we've been using. I don't know if there are any significant
12 changes, I don't see any significant change or issues. Is that a
13 fair statement?

14 MR. MATLOCK: At least in Southwest
15 Virginia the guidelines are almost 100 percent true. The one
16 thing that we do a little differently, or that we gave to the
17 process, was the true last dollars, because we had a
18 substantial number zero DFC that were from the tobacco
19 industry. In the early days they viewed and we, or it was more
20 of an entitlement, and we had a sliding scale and those that
21 were neediest of the needy, and they were getting a 200-a-year
22 or a 400-a-year semester award supplement that would go
23 toward other areas and the cost of attendance. But with this
24 program, truly the last dollars then go to the Pell-eligible
25 people. That's a big change for us in Southwest Virginia, and

1 we wanted you to be aware of that.

2 MS. STANLEY: The second issue would
3 be people that have been eligible before, like teachers needing
4 recertification they have not completed or have not established
5 financial eligibility. Those people, now that they have been
6 required to establish financial aid eligibility, are ineligible for
7 the tobacco scholarships, probably 30 on my campus. One
8 thing philosophically is that the dollars for tobacco families
9 program will essential shift for moderate income families if
10 you're using the Pell and federal government assistance to
11 support the cost of tuition for tobacco families that apply, and
12 most of them are not going to be eligible for assistance when
13 we apply the new guidelines.

14 MR. STEPHENSON: Mr. Chairman, I feel
15 I have to point out if you adopt a consistent set of guidelines
16 there will be persons who got the money last year who cannot
17 get it this year. That's going to happen. There will be people
18 who couldn't get the money last year and can get it this year,
19 and your phone may ring.

20 DELEGATE JOHNSON: Is there any way
21 that those who got it last year will still be eligible this year or
22 would be grandfathered in for the two or three years to
23 complete their schooling, and why wouldn't they be qualified
24 this year?

25 MR. STEPHENSON: Because the

1 community colleges will be asked to operate under the uniform
2 set of guidelines that no longer permits certain students
3 getting that money.

4 DELEGATE JOHNSON: I can't
5 understand the fact that if I qualified this year for a
6 scholarships, then next year what has changed with me or the
7 college that says I can't be qualified this year?

8 MR. STEPHENSON: In all previous years
9 each community college administered the tobacco family
10 scholarships as to how they chose or how they wanted to do it.
11 In the new year there will be a single set of guidelines which
12 they are required to follow, and that may cause some people to
13 not be eligible any more. I'm just saying this --

14 SENATOR RUFF: -- But it may not, also.

15 MR. STEPHENSON: It goes both ways.

16 SENATOR RUFF: You're making the
17 argument that it may, and I'm saying it also may not.

18 MR. STEPHENSON: That's possible also,
19 I just want full disclosure that if somebody is using a set of
20 rules and the rules change it's possible things can happen.

21 SENATOR RUFF: Let's not continue to
22 beat a dead horse anymore. Is there a motion?

23 SENATOR PUCKETT: I think Delegate
24 Johnson raises a very valid question. I'd make the motion that
25 we accept the guidelines that have been proposed, with in

1 addition to that that anyone who is a first-year student will
2 continue as a second-year student at the college community
3 and be eligible for tobacco scholarships money during that
4 second year.

5 DELEGATE JOHNSON: I'll second that
6 motion.

7 MR. NOYES: Is that also going through
8 the third year and fourth year and fifth year at the community
9 college to be eligible through that point in time?

10 SENATOR PUCKETT: My motion is
11 actually through the second year. Maybe we need to address
12 that, because if you go back and look at the guidelines we
13 talked about earlier.

14 SENATOR RUFF: We have a motion and
15 a second. Any further discussion?

16 DELEGATE JOHNSON: I think that the
17 student, if there be one, should be advised that this is the last
18 year and next year they may not be eligible.

19 SENATOR RUFF: Let me make sure, and
20 I'll restate the motion to make sure that we follow the proposal
21 on page eight with the exception that we will grandfather any
22 student who has completed one year at the community college,
23 that they will be grandfathered for one year only following that.

24 MR. HARWOOD: And that the student
25 should be informed of this.

1 SENATOR RUFF: Any further
2 discussion? All in favor say aye ? (Ayes.) Opposed? (No
3 response.) All right.

4 Education Grant Program, Stephanie Allman.

5 MR. STEPHENSON: Mr. Chairman, if I
6 may, I'd like to introduce Stephanie very briefly and tell you
7 what she's been asked to do. Members of the Committee,
8 what we're about to present to you, we're not asking you for a
9 motion or a decision; we're trying to bring you up to speed on
10 some issues that face us. The Commission's central mission is
11 revitalization, and education is a huge part of that. You've
12 spent a lot of money on education and you'll spend a lot more,
13 and that's a good thing. Increasingly over time we are having
14 some of our observers, sometimes critics, ask us the question,
15 what have you accomplished and how do you measure that
16 with your education dollars. Then the question comes, how
17 will you continue what you're doing if you're not able to
18 measure what you have done and determine what works. I'd
19 like for you to look briefly at page nine in your book. Page
20 nine is a list of Education grants that you have approved, and
21 there are over a hundred of them to 20-some different entities.
22 Each one of these grantees does what they think is best,
23 they're sincerely doing what they think is best and what is
24 workable. Each one of them reports to us that which they
25 think we ought to hear, and each one of them believes in what

1 they did. They're all well intended, but we have reports from
2 all of these entities, and you cannot sum them up and
3 measure what they're doing. This issue has kind of plagued
4 us over time. We're lacking numerical results. We have
5 worked with Stephanie Allman, a new Staff member, and
6 charged Stephanie with helping us to determine how we can
7 begin to measure and account for progress in the educational
8 arena. Stephanie wants to show you some information and
9 some of the concepts that we're developing so we can measure
10 what we're doing. I probably encroached on Stephanie's topic
11 more than I should, and I apologize.

12 Stephanie.

13 MS. ALLMAN: Thank you, Ned. As Ned
14 said, I'm Stephanie Allman, a new Staff member. I've been
15 given the task of trying to organize and align your goals with
16 what we have put out. Starting with Education, it's a
17 requirement in the by-laws that we measure what we're doing
18 per grant recipient and your priorities. In 2006 the strategic
19 planning for this Committee was to have an outcome
20 measurement of a percentage of people who completed the
21 program. The goal is 100 percent completion; the GED
22 program is mentioned specifically. The current application
23 requests: number of people per project, number of people
24 trained, granted workforce or academic credentials, and it's
25 noted that is the outcome measurement and information that

1 we need for this program.

2 In 2009 the Commission and Chmura Analytics
3 provided the definition of revitalization: Education level
4 underpins revitalization, and that is measured as associate
5 degree awards per capita; more citizens with an associate's
6 degree or higher leads to a "growing economy" and "higher
7 living standards". The outcome goal is similar to your
8 strategic planning goal: Increase the education level in the
9 tobacco region through support of degree, certification, and
10 diploma attainment.

11 Our current problem is that we have 63 grantees so
12 far, 206 Education grants approved totaling \$78.5 million. We
13 have no standard numeric reporting, although we ask
14 everybody for the same information, which is how many people
15 are served. And we really don't ask for it in a numeric
16 standard. Different grantees provide differing narrative
17 reports, and we can't really tell everything that's happened for
18 that \$78.5 million.

19 So, on the next page we've come up with a numeric
20 solution for minimum reporting, which would be collect the
21 projected grants at the application process, and we would get
22 the final report after that grant had closed on what the actual
23 outcomes were for that particular grant. There are a number
24 of people enrolled and a number of people served and the
25 number of credit or training hours completed by those

1 enrollees, and then depending on what type of program it is,
2 the number of diplomas awarded, or if it's a workforce
3 program, number of certificates awarded or number of degrees
4 awarded. We will be asking for the source of the projected and
5 actual outcomes. VCCS is the largest recipient of grant
6 dollars. This is about 21 million. I believe that we can get this
7 data at the system level. The community colleges share a
8 standard data base; they didn't a few years ago, but they do
9 now. They can flag our grants and track the information per
10 student so they'll be able to help us get the information for all
11 the community colleges. They're also going to try to track the
12 number of transfers to four-year schools from the community
13 college system. We can get an idea of how many people were
14 educated in the region and how many of those go on to
15 complete their degrees and then how many of them go to four-
16 year schools when they started out in the community colleges.

17 Also I want to point out what we're asking for, along
18 with this and the VCCS's definition of student success in their
19 Achieve 2015 Plan. Their definition is a student is successful
20 who transfers, graduates with an associate degree, certificate
21 or diploma or completes a recognized workforce credential.
22 The things we're asking for are the same things that they're
23 tracking within the community college system.

24 SENATOR RUFF: Let me interrupt you. I
25 can see how you could match it up scholarship-wise. How

1 would these other programs work?

2 MS. ALLMAN: Just like the nursing
3 program. Whatever program it is, they're going to have a
4 projection based upon the amount of money they've asked for.
5 They have a projection of how many people that particular
6 grant is going to serve.

7 SENATOR RUFF: So you're going to
8 expect them to report one year or five years?

9 MS. ALLMAN: The life of the grant is for
10 three years. Since we're tracking the programs, I'll say to you
11 for example, if you received \$2 million, who are the projected
12 enrollees that will be served by that grant, how many training
13 hours do you have to complete before you get a certificate if it's
14 a certificate program. How many do you project will complete
15 the program. There may not be a hundred percent completion.
16 The Commission then will have that information, with grant
17 3000 the nursing program began and this many people were
18 enrolled in that particular program. We paid for this many
19 training hours for this many people.

20 SENATOR RUFF: You could compare
21 that nursing program versus this nursing program, but on a
22 long-term plan that you expect to last 20 years you wouldn't
23 want to downgrade a program just because it doesn't produce
24 a lot of --

25 MS. ALLMAN: -- I think the desired

1 result is we can in any way report out what happened. We
2 know people are graduating and we know that it's happening,
3 and we know that Tobacco Commission dollars are
4 contributing to a lot of credit hours taken, which is increasing
5 the education level in the region. But we can't tie it back
6 specifically to the grant, and we're trying to get to that level so
7 we can say grant 3000 was for this program. The projected
8 outcome, or the amount they've asked for, they've done some
9 sort of work in determining how many people we think we're
10 going to need to serve in this program. The actual outcome
11 will be done at the close of the grant so we can say we
12 estimated there'll be 30 enrollees, but guess what 60 people
13 enrolled, or it could be less. The actual numbers reported by
14 the Commission will be actual outcome.

15 MR. NOYES: You would be able to
16 compare nursing program A with nursing program B at some
17 point and say the Commission is spending X number of dollars
18 on A and these are the outcomes number-wise. And then if
19 there's a big discrepancy the Staff can seek to find out why.

20 SENATOR RUFF: That's easy to say
21 today, but I don't know in the long term --

22 MR. NOYES: -- We have 72 different
23 awards and promises and 144 different reports, and no two
24 are the same year-to-year, and we need to standardize it.
25 Stephanie has worked very hard on it.

1 MS. ALLMAN: We're trying to standardize
2 the minimum reporting, and that doesn't mean each part
3 shouldn't keep the things that are important to them in
4 determining what works. Having similar data from everyone in
5 our system will help us be able to report out to those who ask
6 us how many people did your Commission help graduate. This
7 isn't going to happen overnight, but that's what we're working
8 toward.

9 Then we turn to results, and the results we would
10 be able to do some calculating and tallying up. Scholarships
11 are tricky because the same person gets a scholarship from
12 different grant numbers. VCCS and the system helps us try to
13 provide that number.

14 SENATOR RUFF: Why can't you
15 reconstruct, with the help of these folks over here, what has
16 already happened?

17 MS. ALLMAN: Well, there are a couple of
18 things, and we're going to try. I met with probably eight
19 people at the community college system, and that doesn't
20 address all the other programs and four-year scholarships.
21 We're trying to get some minimum reporting that is consistent
22 among all education, but for VCCS they just recently got a
23 data base system-wise all across the system, maybe two or
24 three years ago, yes, maybe three or four years ago. Prior to
25 that it really wasn't possible even for us to do that. Based on

1 information in that data base they may be able to go back a
2 few years and try to get some of this data and try to get a
3 report for probably a few years back. We're going to have
4 another meeting in August to talk about more details
5 specifically to this.

6 SENATOR RUFF: All of our programs
7 with the Tobacco Commission system and all our training
8 programs would it be possible to get that kind of information
9 with the results, and that would be helpful.

10 MS. ALLMAN: I've seen other reports,
11 and none of them, they're all good reports, but I can't tell you
12 as a member of the Committee, specific results. We're working
13 towards that at some point.

14 This is just an informational slide, and some may be
15 familiar with this and some may not. The Staff mentioned it,
16 and I mentioned it, the Virginia Jobs Investment Program runs
17 through the Department of Business Assistance. They do
18 workforce training as well with private companies. They offer
19 direct funding to offset recruitment and training costs. They
20 offer consulting services at no cost and organizational
21 development training. They also do recruitment and training
22 videos. The next slide has sort of a breakdown. There is a
23 new jobs program for small businesses, and that involves a
24 retraining program. It's an organization in the community;
25 they buy some equipment and retrain people, and people can

1 use that equipment. The Small Business New Jobs Program
2 involves companies with less than 250 employees. The
3 Retraining Program involves in some cases half a million
4 dollars new capital investment with the retraining. It's
5 interesting that the wage criteria is waived in certain areas,
6 but the jobs have to be paying \$10 an hour to qualify for this
7 program. They'll waive the criteria in areas with
8 unemployment rates twice the state level. You've all seen
9 workforce training, and I'm sure you're aware of that program.

10 So thank you, I'll answer any questions that you
11 may have.

12 SENATOR RUFF: Thank you.

13 MR. STEPHENSON: The next item is the
14 Virginia Advances Studies Strategies, and that involves a large
15 amount of money to the Virginia Advanced Studies Strategies
16 contingent upon their promise to report to this Commission
17 about their progress and their work over the years. I had
18 contacted a representative from that group, and they were
19 prepared to come and had agreed to come, but I don't see
20 them in the audience. I expected them here today, and I don't
21 see them, so we'll have to delay that until another meeting,
22 unless you want to freeze the disbursement until they show
23 up.

24 SENATOR RUFF: When did you make
25 that?

1 MR. STEPHENSON: There is one every
2 year from '08 through '13, and that was in October of '07.

3 SENATOR RUFF: We'll have a meeting
4 before October; possibly you could remind them.

5 MR. STEPHENSON: I will remind them.

6 DELEGATE JOHNSON: You could also
7 tell them or put them on notice if they don't show up the
8 money will stop.

9 MR. STEPHENSON: Yes, sir.

10 SENATOR RUFF: You said it better. All
11 right, anything further? Any public comment?

12 MR. PFOHL: Just a quick note to the
13 Special Projects Committee, and there were three left in the
14 Special Projects round a couple of weeks ago, and they
15 referred three to the Education Committee, and they're listed
16 in the Special Projects Report, I believe it's page 16, but they'll
17 be presented in the competitive round in October.

18 SENATOR RUFF: Does anyone want to
19 make any remarks during the public comment period?

20 MR. FRYE: My name is Curtis Frye, and
21 I'm here for another meeting, and I have the ultimate respect
22 for Senator Puckett and Delegate Johnson. I was involved
23 with tobacco farming; I used to work on a tobacco farm. When
24 the tobacco buyout occurred we were offered X amount to stop
25 raising it; by the time we made an agreement my allotment

1 was dropped four times and I got one-fourth of what I agreed
2 to. I believe I understood that you all put a limit on the
3 amount of money for one particular area.

4 SENATOR RUFF: That's not correct.

5 MR. FRYE: No?

6 SENATOR RUFF: Each community
7 college gets 350,000.

8 MR. FRYE: They were asking four for one
9 area?

10 SENATOR PUCKETT: Mr. Chairman, my
11 comment was that funds for the community colleges, some
12 were funded more, some were funded less. The two I was
13 talking about were in my packet, one was 443,000 and the
14 other one was 400,000.

15 MR. FRYE: I'd like to say that the
16 Tobacco Commission funds for us who had tobacco
17 allotments, we gave up income. You may have money you're
18 using all over the state and for other areas for whatever
19 reason. When you restrict an area that happens to have the
20 most people living in it and you limit the funding just because
21 there's more poor people, more people happen to live in one
22 area, I really disagree with that, what you've done, because
23 those people need that funding. I have a senior in high school
24 and 12 of them are going to college and 9 are going to Virginia
25 Highlands, two are going to the military, one is going to Emery

1 & Henry. The one going to Emery & Henry had to cancel hers,
2 and that's a good average of what it's like living in Smyth
3 County. I just think what you've done is wrong. I live in
4 Smyth County, you, sir, and you, sir.

5 DELEGATE JOHNSON: Sir, the tobacco
6 buyout didn't keep you from raising tobacco; you can continue
7 to raise it.

8 MR. FRYE: I know. I do think the people
9 with the most need just because they all live in one area.

10 DELEGATE JOHNSON: Sir, you don't
11 understand,. David Matlock said that of all the students that
12 apply for scholarships received the scholarships. We haven't
13 denied anyone.

14 MR. FRYE: I misunderstood that; I
15 apologize to the group for that.

16 SENATOR RUFF: Any further public
17 comment?

18 MR. NOYES: Members of the Committee,
19 your vouchers will appear tomorrow morning at the
20 Commission meeting, and you need to sign them and turn
21 them in to Michelle. The reception tonight is at the Francis
22 Marion Hotel, 6:30 to 8:30. Any questions about anything,
23 speak to Michelle.

24 SENATOR RUFF: Mary, thank you for
25 coming today; I meant to recognize you earlier.

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If there's nothing further, we'll be adjourned.

PROCEEDINGS CONCLUDED.

CERTIFICATE OF THE COURT REPORTER

I, Medford W. Howard, Registered
Professional Reporter and Notary Public for the State of

1 Virginia at large, do hereby certify that I was the court reporter
2 who took down and transcribed the proceedings of the
3 **Education Committee of the Virginia Tobacco**
4 **Indemnification and Community Revitalization**
5 **Commission when held on Wednesday, July 28, 2010 at**
6 **3:00 p.m. at the Hemlock Haven Conference Center,**
7 **Marion, Virginia.**

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

11 Given under my hand this 18th day of
12 August, 2010.

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19 My Commission Expires: October 31, 2010.

20 Notary Registration Number: 224566