

1 The Honorable Frank M. Ruff, Chairman
2 Ms. Linda P. DiYorio, Vice Chairman
3 Ms. Gayle F. Barts
4 Mr. Burgess “Butch” H. Hamlet, III
5 The Honorable Joseph P. Johnson, Jr.
6 The Honorable Donald Merricks
7 The Honorable Philip P. Puckett
8 Mr. Kenneth O. Reynolds
9 Ms. Cindy M. Thomas
10 Mr. Gary D. Walker
11 The Honorable Thomas C. Wright, Jr.

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14 COMMISSION STAFF:

15 Mr. Neal E. Noyes – Executive Director
16 Mr. Ned Stephenson – Deputy Executive Director
17 Mr. Timothy Pfohl – Grants Program Administration Manager
18 Ms. Stephanie S. Kim – Director of Finance
19 Ms. Sara G. Williams – Grants Coordinator, Southwest Virginia
20 Ms. Sarah K. Capps, Grants Coordinator, Southside Virginia

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24 SENATOR RUFF: Good afternoon, I’m
25 going to call the Education Committee meeting to order. Neil,
26 would you call the roll?

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MR. NOYES: Ms. Barts?

MS. BARTS: Here.

MR. NOYES: Ms. DiYorio?

MS. DIYORIO: Here.

MR. NOYES: Mr. Hamlet?

MR. HAMLET: Here.

MR. NOYES: Delegate Johnson?

DELEGATE JOHNSON: Here.

MR. NOYES: Delegate Merricks?

DELEGATE MERRICKS: Here.

MR. NOYES: Senator Puckett?

SENATOR PUCKETT: Here.

MR. NOYES: Mr. Reynolds?

MR. REYNOLDS: Here.

MR. NOYES: Senator Ruff?

SENATOR RUFF: Here.

MR. NOYES: Ms. Thomas?

MS. THOMAS: Here.

MR. NOYES: Mr. Walker?

MR. WALKER: Here.

MR. NOYES: Delegate Wright?

DELEGATE WRIGHT: Here.

MR. NOYES: You have a quorum, Mr.

Chairman.

SENATOR RUFF: Thank you, I appreciate that. You received the minutes for May 18th, do I have a

1 motion? It's been moved and seconded approval of the
2 minutes. All in favor say aye. (Ayes.) Opposed? (No response.)
3 Ned, would you start the discussion about the Southside Loan
4 Program?

5 MR. STEPHENSON: Mr. Chairman and
6 members of the Committee, before I begin the discussion about
7 the loan program, I want to set the table for you today about
8 what you'll be facing here budget-wise. I put on the screen
9 here the available balance. You have available for you today
10 \$14,653,000. The red numbers that you see before you are
11 the result of staff recommendations for the scholarship
12 program, the community colleges and all the rest of the
13 competitive grants. If you were to follow staff
14 recommendations all afternoon today you will have \$1.8
15 million remaining when you finish. To the extent that you
16 depart from staff recommendations, you will have more or less
17 remaining. And if you depart enough, you will overdraw. We'll
18 keep these numbers live for you throughout the afternoon but I
19 thought you should see it on the front end so you can have an
20 awareness of what's available to you today.

21 Mr. Chairman, the purpose of my remarks this
22 afternoon is to ask the Committee to consider making changes
23 to the four-year scholarship program. You may remember we
24 took this subject up in May and made some considerable
25 progress and you gave staff instructions to bring some things
26 back to you, which we have for you today. Before I get started

1 in that, I want to say that the changes we seek are several. It
2 is very easy when talking about scholarships for all of us to get
3 down deep into the weeds and see how these things work. I'm
4 asking the Chair to help us say today that there are two
5 essential pieces that we need to resolve today. The first is we
6 must find a way to stop making loans, we agreed on last May
7 and I hope when we leave today we found a way to do that.
8 The second is we must find a clear policy to direct our
9 scholarship administrator in how to administer what I call the
10 cut-off that is who gets served and who does not. We'll expand
11 on that later but they are the two primary objectives of this
12 afternoon's meeting. The other things we can adjust and fix in
13 subsequent months. However, the first two have to be done
14 today if we are to position ourselves to have a program that will
15 operate for the 2011/2012 year. I'm going to show you really
16 fast about three or four slides that I showed you in May that
17 brought you to the conclusion that we needed to find a way to
18 stop making loans. In your scholarship program as of last May
19 we had some 3,700 loans in our portfolio and they're growing
20 every day. Your administrative cost in managing the loan
21 portfolio is doubling every four years and I know you've seen
22 all this before. There's many steps to administering
23 scholarships and when we make loans it adds a lot of work in
24 the back end. You can see these red items what has happened
25 in the loan area. You can see where we're running this loan
26 program and skip-chasers and filing judgments and we're

1 doing this for ten years after the student finishes the program.
2 The portfolio is growing, driving us to the thought that we
3 need to find a way to not make loans. There's a few statistics
4 we showed you last time about the number of loans that get
5 forgiven and among those are prepayment. About thirty some
6 percent are defaulted on and many of those are in the debt set-
7 off system which produces unhappy people when their tax
8 return gets snatched to repay a defaulted scholarship loan.
9 This collection effort involves the Attorney General's office and
10 the Commission is not in a very good light when we obtain
11 judgment decrees on people's front doors and garnishments,
12 which I don't think is the business we intended to be in but
13 that's just happened.

14 I'm going to move quickly to some options we
15 presented to you last May for consideration and we said there's
16 really two ways to cure this. Option number one is you can
17 simply offer a scholarship grant for students to go to school
18 with no strings attached. Here's a grant and go to school and
19 good luck. It's a grant and not a loan and they don't have to
20 pay it back. The second option is ask the student to go to
21 school on their own and once they return to the region with
22 their diploma and are ready to work and have worked that you
23 will reimburse them on the back end. It's also a grant and not
24 a loan. You instructed the staff to develop a hybrid between
25 that approach. Some money on the front end and some money
26 on the back, that's what we're bringing before you today.

1 Neither of which will be a loan. Here's how the hybrid program
2 would basically work for the student. The student would apply
3 and their eligibility would be determined and we'll talk about
4 that later. We would disburse a sum of money to the school
5 upon the student's enrollment, just like we do now. In
6 addition to that disbursement, we would make a written
7 promise to that same student that when they graduated and
8 worked in the region, they may come to the Tobacco
9 Commission and claim the rest of their scholarship. When
10 they do that and they come to us that's important and we're
11 not chasing them and they must come to us and ask for the
12 second piece of money and we'll give that to them as a
13 reimbursement for school expenses and there's no loan and no
14 chasing or tracking students. The concept we have developed
15 in terms of a hybrid program and I'll give you some numbers to
16 flesh that out. I'm moving rather rapidly, Mr. Chairman, you
17 can stop me if you need to.

18 This is a synopsis of your current program and this
19 is what we're doing right now in both Southside and
20 Southwest. You'll notice in the Southwest column there are no
21 loans. It's a gift or grant of \$2750. The pot is the amount of
22 money that you have approved last year for this work,
23 \$1,375,000. That serves five hundred students and that's
24 26% of the scholarship money that the Commission makes
25 available. In contrast, Southside makes a loan of \$4,130 on
26 the front end. There is no grant or gift and the amount of

1 money available is \$3,850,000 representing 74% of your
2 scholarship dollars serving 932 students. So the total cost of
3 the program is \$5,200,000. That's what you've been doing for
4 a number of years. The dollar amount has grown a little bit
5 but the basic model is the same. The proposal we make for
6 you to consider, I'll look at the Southside column first. The
7 proposed plan is that there would be no loan made and we'd
8 simply make a gift or grant of \$2750 just like Southwest to the
9 student upon enrollment. There would be another piece of
10 money, \$2,000 available to that same student once they return
11 home to the region and work. If you look at that carefully and
12 I know this is a lot of numbers, to serve the same number of
13 students as you have been serving in the past would take a
14 Southside amount of \$4,300,000 and that represents 69% of
15 the total scholarship money and could serve 1,113 students.
16 And you see at the bottom that's a \$452,000 increase of
17 Southside over last year.

18 Commissioners from Southwest, we have long tried
19 to leave your program alone because you liked what you were
20 doing, we're not recommending any particular changes to that
21 today except to say that if Southside is to adopt this program
22 for a piece of money up front and a piece of money on the back
23 end, we are suggesting that Southwest do the same thing,
24 which is not disturb the amount you are disbursing to your
25 students on the front end but it does give them an additional
26 piece on the back end just like Southside. The amount of

1 money to the student would be the same in the two regions.
2 Mr. Chairman, I've gone rather fast and there's a lot of
3 numbers to look at. I'll pause and ask you if you have any
4 questions about what we've been talking about.

5 SENATOR RUFF: Thank you for that
6 presentation, Ned. Anyone have any questions? There's just
7 no change in the Southwest. There are two options for
8 Southwest, leave it alone at \$2750 or you can add more money
9 to Southwest so that there is an incentive for them to return
10 the same as Southside.

11 DELEGATE JOHNSON: And if they don't
12 return they have to pay the money back?

13 SENATOR RUFF: No, that's only a bonus
14 to come back.

15 DELEGATE JOHNSON: That sounds
16 good.

17 MR. NOYES: That's also how the staff
18 can track the ratio of those that benefit from the upfront costs
19 to those that return to serve and work in the footprint.

20 SENATOR PUCKETT: Ned, I certainly like
21 the fact that the Southwest gets more money but was there
22 any thought given to converting Southside to what we do in
23 Southwest now, did you look at that?

24 SENATOR RUFF: We talked about that at
25 the last meeting. Enough of us believed that the original intent
26 to get young people to come back to the area and reestablish

1 their roots would be a good incentive.

2 SENATOR PUCKETT: I agree with that
3 but I just wondered if we like how it works and we don't have
4 that incentive now but we don't get as much money now as
5 we're going to get there either.

6 MR. STEPHENSON: Senator Puckett, a
7 material difference between the two regions is that currently
8 and proposed the Southwest monies are available only to
9 tobacco families. You've all chosen that and that's
10 undisturbed. The second big difference is you just
11 acknowledge there is no incentive to come back home or I'm
12 sorry, there is an incentive to come back home, which is the
13 extra piece of money. The student upon receiving notice of the
14 scholarship would receive from the Commission a written
15 promise from the Tobacco Commission setting out the terms
16 under which they can claim the second piece of money. And
17 they will have that promise in their possession during the
18 current school time and they may rely on that and we'll have to
19 carry those monies on our books so that when they step
20 forward and present that promise, we will honor it.

21 SENATOR PUCKETT: One other thing,
22 Ned, I note from footnote number two there that that figure is
23 based on half of the students coming back. If more than half
24 come back, we owe more money, don't we?

25 MR. STEPHENSON: There are some
26 accounting challenges, which we feel like we can meet because

1 we have to forecast how many we believe are coming back and
2 reserve for that. We have always had accounting challenges in
3 the scholarships because occasionally we will over prescribe a
4 little bit and some people drop out and we have to manage that
5 internally and Stephanie Kim thinks that we can handle that.

6 MS. KIM: We can adjust it from year to
7 year. If we see one year that it's growing but it amounts to a
8 budgeting process and we can adjust it.

9 MR. NOYES: I submit that that's a
10 wonderful problem to have.

11 SENATOR PUCKETT: What that means is
12 that it creates more job opportunities to keep our kids at
13 home.

14 MS. DIYORIO: Is there time limits on
15 this?

16 SENATOR RUFF: What we've done in the
17 past for each year that they've got the loan was stay in the
18 community one year to pay that off.

19 MS. BARTS: So the incentive money, the
20 \$2,000 after they graduate and return home, the number of
21 years they need to complete their degree?

22 SENATOR RUFF: If we're talking about
23 this, that's an annual basis, so that's one. If one student came
24 back and they got four loans, four units of money, then for
25 each year they came back and stayed in the community.

26 MR. STEPHENSON: Gayle, each promise

1 that the Commission issues in writing to the student will have
2 an expiration date certain so that they must claim that money
3 by that date or Stephanie's going to put it back in the pot and
4 it will be gone. We have to have that to control the exposure
5 and the contemplated amount of time is five years.

6 MS. THOMAS: I was wondering if the
7 \$2,000 for graduation was per school year.

8 DELEGATE KILGORE: Per school year so
9 you'd get if you came back for Southside or Southwest and
10 worked four years?

11 MR. NOYES: Worked.

12 DELEGATE WRIGHT: The \$2750 is a
13 one-time amount.

14 SENATOR RUFF: Annually each year.

15 DELEGATE WRIGHT: That money comes
16 after any other available grants and scholarship awards?

17 SENATOR RUFF: That is correct. That is
18 the last dollar.

19 DELEGATE WRIGHT: If the student
20 didn't need the entire \$2750 for a year, can they carry that
21 over?

22 SENATOR RUFF: That would be for just
23 one year and there would be no mechanism to be able to have
24 a thousand this year and spend three or four the next year.

25 MR. HAMLET: If we adopt this, it would
26 be for school year next year?

1 MR. STEPHENSON: For 2012 and '13.

2 MR. HAMLET: The loan would still be a
3 loan?

4 MR. STEPHENSON: The loans we made
5 to date are still loans. We have contemplated internally that
6 once we cure this loan making problem, we then seek a
7 solution to the existing portfolio or possibly sell it or put it into
8 the hands of loan administrators somewhere. But the first
9 choice is to stop making them.

10 DELEGATE MERRICKS: Making it at the
11 wrong time.

12 MR. WALKER: This money is available
13 first come, first serve?

14 MR. STEPHENSON: Gary, if I may, that
15 is the second piece that I was asking the Committee to deal
16 with. What I call a clear cutoff policy and the cutoff meaning
17 among all eligible applicants where do we cut off those that get
18 served and those that don't, whether it's based on time or GPA
19 or whatever you wish to choose. There has to be a clear
20 ending because inevitably there will be more applicants than
21 money and we need to know how to cut that off. That is
22 question number two.

23 Mr. Chairman, I'd ask the Chair to recognize two
24 people here that have been involved in this. The first is Rachel
25 Fowlkes. She has much knowledge about this and the other is
26 Gary Simmons who has spent some time with you. I'd like for

1 those folks to have a chance to speak to you.

2 SENATOR RUFF: Dr. Simmons was our
3 original guru and we appreciate you both being here and if
4 you'd come up and tell us what you think of that.

5 DR. FOWLKES: First, thank you for the
6 opportunity to manage this program and to make a lot of
7 opportunity for students. I appreciate that opportunity. We
8 support the changes to the scholarship program and we think
9 that will be much more effective for Southside students than
10 the loan program we have right now. We think it will benefit
11 the Southwest students who will have a financial incentive to
12 come back home and work in the region. So we very much
13 support these changes. One of the challenges we still face as
14 Ned said is eligibility. Who are you claiming to serve with this
15 program? Because the way we envision the new program
16 moving forward everybody in the college will take advantage of
17 this in both Southwest and Southside we have the scholarship
18 program designated for families of tobacco farmers for
19 Southwest students. And that will cut down the number of
20 applicants significantly and keep it in that particular category.
21 In the Southside region if every student goes to college right
22 now that's eligible. When we establish the criteria that was
23 based on GPA or based on first generation students, we talked
24 about a whole range of eligibility requirements. We certainly
25 need to give those a lot of thought and I don't know if you're
26 prepared today to do that or let the staff work on that and

1 bring back some recommendations to you in the future. I
2 think that's the most important thing you need to do is to
3 consider to do that carefully.

4 SENATOR RUFF: If anybody has any
5 comments or thoughts, I would suggest we use those thoughts
6 to think about it and let Rachel and the staff work on that and
7 come up with a proposed plan at the next meeting.

8 DR. SIMMONS: Thank you Mr. Chairman
9 and Commission members. The proposal staff has made here
10 is somewhat similar to a proposal I've worked up and for
11 purposes of the Education Committee for purposes of
12 scholarships. And one of the things that I think is very
13 positive about the staff's recommendation is the fact that
14 staff's attempting to use the funds in a strategic manner.
15 There is a reward for coming back, becoming employed in the
16 community and contributing to the economy. I think that
17 strategic use is a vital element and sometimes we don't always
18 look at that in the form of a public policy. The dollar amounts
19 and whether or not it is this much up front and this much in
20 the future, those are a little bit different than mine but not of
21 any substantial difference. What I pointed out in my initial
22 thoughts on that after our discussion last May, rather than an
23 outright here's this much money to come back into the
24 community, let it be tied to repaying educational loans because
25 we had a lot of discussion back in May about how the students
26 were going to pay and would there be enough money to pay for

1 college. There was a discussion about the availability of loans.
2 Loan availability for educational loans and that would still be
3 the availability through the federal government as well as
4 through some private lenders. That's the reason I included
5 that in my recommendations that this be for loan repayment
6 after the student has moved back or an individual moves back
7 to the community and works. Is that a make a break as far as
8 I'm concerned? No, but based on discussion that we had last
9 May I put it in my proposal. Fundamentally, I think this is a
10 very good proposal. The question that Ned and Rachel both
11 have addressed is how do we filter this to make it manageable.
12 That's a very valid question and does need to be answered but
13 that can help determine the structure of the program.

14 SENATOR RUFF: Any questions of Gary?
15 Thank you Gary and appreciate it. Any further discussion or
16 comments? Does anyone want to make a motion on the
17 concept that's written on the board there? With the
18 understanding that we'd work out any of the details that would
19 be the criteria in the coming months.

20 SENATOR PUCKETT: Just a question for
21 Ned. If we should make this change right now, right now in
22 Southwest our focus is on tobacco families. Is there a way to
23 have both programs because Southside is wide open and we
24 focus on tobacco families in the Southwest, is there a way to
25 do both?

26 MR. STEPHENSON: Focusing on tobacco

1 families in Southwest remains unchanged, get the same \$2750
2 just like they always have been. If they come home, they'll get
3 more.

4 DELEGATE JOHNSON: When you say
5 come home, suppose they're already home.

6 MR. STEPHENSON: The criteria for
7 claiming the second piece of money is a diploma and having
8 worked in the region for a year. When they prove that to us,
9 they get the check.

10 SENATOR PUCKETT: Mr. Chairman, I
11 make a motion to allow staff to work on that and bring the
12 recommendations back.

13 SENATOR RUFF: The motion is to
14 support the concept with final details to be worked out by the
15 staff.

16 MR. HAMLET: Second, we're approving a
17 particular amount of money with this motion, the nuts and
18 bolts. You need that in order to go on to the next part.

19 SENATOR RUFF: Any further discussion?

20 DELEGATE WRIGHT: I'd like to say that
21 one consideration I think we also have, I'd like to see us have
22 more money for this education. I know we've got some now,
23 but I think we should have more because this is one of the
24 most important projects we have and I think we ought to
25 increase the amount of money for education.

26 SENATOR PUCKETT: I'd agree with

1 Tommy, that's a good problem to have and if we can increase
2 the amount of money we can get more kids to attend.

3 DELEGATE WRIGHT: I just think we
4 need to increase the amount of money for education and not
5 turning people away.

6 SENATOR RUFF: I don't know that we're
7 turning a lot of people away. I think we could make some
8 adjustments. And I think we have in the last couple of years to
9 make sure we take care of, the question is until we know what
10 the demand is, it's hard to plan but you have a good point.

11 MR. NOYES: The budget process is
12 typically at our main meeting when the Executive Committee
13 deliberates and makes recommendations to the full board. I'll
14 mention to the Committee for the record that we have for the
15 last two years been indexing the amount to increase to the
16 amounts to what the four-year public institutions in the
17 Commonwealth have charged. We are increasing it but not so
18 much in terms of capacity to serve more students but to
19 recognize the cost for those same numbers of students
20 continues to increase.

21 DELEGATE WRIGHT: But the increase in
22 these scholarship programs to anybody eligible, that's going to
23 mean some people are going to apply for it.

24 SENATOR RUFF: Very good point, that's
25 just for discussion right now. Any further discussion? All in
26 favor say aye. (Ayes.) Opposed? (No response.)

1 MR. STEPHENSON: Mr. Chairman, for
2 the sake of clarity, the staff understands that today you all
3 approved and awarded for the Southwest program \$1,937,500
4 and for the Southside program \$4,312,500 to be distributed to
5 the students according to this plan, subject to eligibility rules
6 to be determined later?

7 SENATOR RUFF: That is correct.

8 MR. STEPHENSON: Thank you, Mr.
9 Chairman, that concludes my part.

10 MR. NOYES: Members of the Committee,
11 Ladies and Gentlemen, I would like to introduce Dr. Mangum,
12 who has his firm based in Richmond. Some time ago, I had
13 the pleasure to have a look at the non-credit programs
14 supported by the Commonwealth and this follows on earlier
15 work that he had done and reviewed and it seemed appropriate
16 at that time to ask for an update. And it appeared to be at
17 first blush that this was an area that the Commission was not
18 addressing because the focus is on relationships strictly with
19 employers who need skills of the existing workforce updated or
20 upgraded. I appreciate the good work that Dr. Fletcher
21 Mangum has done and look forward to hearing the
22 conclusions.

23 DR. MANGUM: Let me make two brief
24 apologies. We were one of the firms that you read about in the
25 paper and we were without power for a week after the storm
26 Irene. The other is I am before you without a jacket. I stepped

1 out of the car and that's a liability when having more than one
2 dark suit and I walked out of the house without my jacket and
3 that's why I'm here half-dressed. With the updated analysis
4 we had done before the community colleges on non-credit
5 education and to realign that based on the Tobacco
6 Commission, to focus it on the Tobacco region in the
7 manufacturing sector. Now, I've got a graph up here on the
8 board and what this does it shows you year after year changes
9 in the quarterly employment in the tobacco region. In the
10 fourth quarter of 2005 to the fourth quarter 2010, you can see
11 the changes in the employment. That's the most recent dates
12 we have available. The lines above zero are positive
13 employment, then you have the negative obviously below that.
14 You can see the impact there of the 2007 recession. That
15 amounted to eighteen months and that's the longest downturn
16 that we've had since the Great Depression. Two things that
17 are interesting about this graph is that the employment lags
18 behind the state even before the recession. The second is that
19 the tobacco region is much harder hit in the recession than the
20 rest of the state. Most of that is the downturn in
21 manufacturing and that's one of the largest sections you have
22 in the economy. One of the biggest impacts in this area is
23 healthcare. 49,184 individuals, manufacturing is second,
24 47,243 and then retail, and even with the decrease you can see
25 a significant number are affecting the employment in this area.
26 Now, those that pay higher wages and average weekly wages

1 in manufacturing in the tobacco region. This is actually very
2 small employment sectors for the region. Looking forward, the
3 Tobacco-Dependent Region's manufacturing sector is also
4 likely to face a disproportionately large wave of retirements
5 over the course of the next decade causing the loss of their
6 most experienced and skilled workers. This chart shows the
7 change between the fourth quarter of 2005 and the fourth
8 quarter of 2010 and this is specific for the tobacco region.
9 This was demographically driven. Education also plays an
10 important part. As this graph shows, total employment
11 remained fairly level until the third quarter of 2008. Then as
12 the recession took hold between late 2008 and early '09
13 employment in the Tobacco-Dependent Region fell as it did
14 throughout the country. Between the fourth quarter of 2005
15 and fourth quarter of 2010, the Tobacco-Dependent Region
16 experienced significant losses in jobs, a 5.9% decline in
17 employment. By comparison state-wide over the same period,
18 that was 1.3%. This graph shows the Tobacco-Dependent
19 Region total employment and this one is the year over year
20 change in employment 2005 to 2010. Now, even with what
21 we're seeing, manufacturing appears to maybe be stabilized at
22 the 4,780 job, 6,143 job, actually during the recession gained,
23 manufacturing actually gained 121 jobs in 2009 and 2010.
24 The losses have seemed to stabilize. I think it's interesting that
25 in the Commission area some manufacturing jobs are coming
26 back. If you look at the numbers, evidence seems to indicate

1 it's gaining relative to other subsectors. Machinery, computers
2 and electronic products, which are high tech sectors, especially
3 when you compare it with the occupations involved and the
4 majority of those occupations fall into that category. When you
5 look at the subsectors in the manufacturing and within the
6 region, four of those classes qualify as high tech sectors and
7 three of those are the leading economic indicator in 2009 and
8 2010. So the advanced manufacturing concept clearly is an
9 indicator for future growth.

10 When you look at the region and consider the
11 infrastructure, if you look at the mix of providers in terms of
12 post-secondary education and if you look at this region it's
13 much more heavily weighted away from four-year public
14 institutions toward the Averett's. In updating our study, we
15 updated a survey that was done at the Virginia Community
16 College Research Center in 2007 and that shows out of 50
17 states 28 states provided funding for some forms of education
18 and out of those 28, 11 and 7 of them including Virginia
19 provided some form of funding. Educational attainment rates
20 in the Tobacco-Dependent Region to those for the state as a
21 whole for 2009, as the data shows individuals 25 years of age
22 and older with a high school degree or higher were estimated to
23 be 86% state-wide in '09 and the tobacco region was 76%.
24 The percentage of individuals 25 years of age and older with a
25 B.A. degree or higher was estimated to be 33% statewide in '09
26 and in the tobacco region the comparable figure was 15%.

1 State funding for non-credit course offerings through the
2 Virginia Community College system is intended to conform to a
3 30/70 split where 30% of the funding is provided by the state
4 and 70% is provided by the businesses requesting the training.

5 It's important to realize that the funding issues are not unique
6 to Virginia. In 2007, an analysis by Columbia University found
7 that our number has increased to 28, 7 including Virginia
8 provided a fixed amount of funding for non-credit education.
9 The fixed amount of funding was often small relative to the
10 amount of funding that the state provides for credit programs.

11 When you look at states for example Maryland and North
12 Carolina, two neighboring competitors are providing funding.

13 Now, there is certainly a demand for trained
14 individuals. There are needs for trained individuals within the
15 manufacturing sector and compare that with the number of
16 recruiters that are coming out of and trying to identify where
17 the shortfalls are between the trained individuals are within
18 the manufacturing sector. Identifying the adequacy of the
19 region's existing workforce pipeline to meet the demand is a
20 problem. As far as the regional supply of trained workers goes
21 that was indicated that 105 of the identified 152 occupations
22 within the Tobacco-Dependent Region's manufacturing sector
23 were linked to one or more specific post-secondary educational
24 programs. The GAP analysis is the difference between the
25 likely annual supply of trained graduates associated with each
26 occupation and the projected average annual opening for each

1 occupation. But most importantly is the skill level that's
2 required and that is of the utmost importance.

3 So, what's the conclusion? Manufacturing is the
4 key component of this presentation out in Washington State
5 that I attended and manufacturing is the one that has brought
6 me to the dance, and that's a major segment of our economy.
7 As you look at the data in terms of what is happening and
8 where the growth is, there is certainly a potential within the
9 high tech industries. One of the advantages to that in
10 considering economic development is leveraging historically the
11 effects to the region in terms of an infrastructure. And of
12 course, the challenge is this industry sector faces in ensuring
13 an adequate pipeline of future workers. Unemployment rates
14 within the tobacco region generally track closely with the
15 national average, they typically exceed the statewide rate by
16 two or three percentage points. Recent data indicate that the
17 highest wages are usually paid in a manufacturing center.
18 Our data shows that the mix of education and training
19 providers serving the region is less weighted toward public
20 four-year colleges and more weighted toward private
21 institutions and public two-year colleges, especially community
22 colleges. We found that community colleges ability to provide
23 to provide non-credit workforce training has been hampered in
24 the past by lack of funding though there's been significant
25 recent improvements. We still may have a competitive
26 disadvantage with such states as Maryland and North Carolina

1 as I said. As I said, we also have shown that there may be a
2 significant gap between demand and supply as far as
3 manufacturing jobs. If you look at the numbers and compare
4 them, if you look at the type of jobs involved in advanced
5 manufacturing, it's going to have a significant effect. The key
6 though is the workforce development and that pertains to more
7 narrowly focused workforce education. Consider a company
8 like Rolls Royce and one of the primary risk factors they look
9 at in terms of for their company is the workforce potential. I
10 think the main recommendation is to continue to move on two
11 tracks. One is to improve the general education level. If you
12 look at the numbers particularly for post-secondary education
13 level for the state as a whole, 33% of the individuals 25 years
14 of age or older have a B.A. degree level or above and as I said,
15 in the tobacco region that was 15%. Preparing the workforce
16 in the general way for the types of occupations and types of
17 industries you'd like to have. The other is workforce training.
18 Concerning the first, you're already familiar with that and
19 you're trying to deal with that and you're booking with that
20 education-wise. In terms of the second gap, continue what
21 you're doing which means that the information is there to
22 consider support for non-credit education for the workforce, a
23 two-year degree. One is through the existing structure, like
24 the community college system and the importance they already
25 have. In this case, there are at least two avenues to which the
26 Commission can positively impact regional provision of this

1 training. The first is through funding for training programs
2 administered by the community colleges and the Virginia
3 Department of Business Assistance. The second is through
4 project specific grants as we've done with the Commonwealth
5 Center for Advanced Manufacturing. The advantage of the
6 former is that it leverages existing infrastructure, particularly
7 at the administrator level. The advantage of the latter is that it
8 targets funding as specifically as possible and also potentially
9 enables greater competition among training service providers.
10 Now, that's it, that's my ten minutes. Thank you.

11 SENATOR RUFF: Thank you, any
12 questions?

13 DELEGATE JOHNSON: Sir, there's an
14 application here 2370 for Emory and Henry College. I noticed
15 going through your presentation on page eight, Tobacco-
16 Dependent Region employment by major industry category and
17 the one that received the highest rating was healthcare and if
18 you turn over to page nine Tobacco-Dependent Region average
19 weekly wages by major industry, healthcare is 674. Then if
20 you turn over to page eleven, Tobacco-Dependent Region
21 change in employment by major industry, category healthcare
22 and social assistance 6,362. Now, improving general
23 education attainment, your recommendation is that more
24 education in the medical/healthcare field would be good, is
25 that correct?

26 DR. MANGUM: In terms of general

1 educational attainment but the point is the healthcare industry
2 is a growing industry in the tobacco region and I think two
3 things are driving that. One is the baby boomers are going to
4 the doctor more and the population in the tobacco region is
5 older. This is sort of a recession proof industry. And that has
6 been demonstrated, especially in this recession. In terms of
7 investment, educational investment, this is a very full
8 industry.

9 SENATOR RUFF: Neil wants to make a
10 comment but before he does, I'll say that speaking with some
11 people, an employer in the Greensboro area yesterday they
12 were very proud of the employees at the Danville Community
13 College. Their profile of the best possible people coming into
14 that region with that realm of skill are those that are first
15 generation, second generation off the farm because of their
16 work ethic and because of their understanding of how things
17 work such as hydraulics.

18 MR. NOYES: Thank you, Mr. Chairman
19 and Members of the Committee. It's clear after reading
20 Fletcher's analysis of the state funding policies, we're falling
21 behind in terms of the ratio that we provide the employer and
22 this work that we've done confirms that our community
23 colleges are doing a terrific job with their certifications. What I
24 would ask the Committee to do is provide an instruction to the
25 staff to go out and meet with the community colleges
26 individually and as a group and over and above the

1 scholarship programs begin to develop a financing mechanism
2 to support their work for non-credit where they're working
3 directly with employers. This would be a new component of
4 Danville's doing some of it and other community colleges are
5 doing some of it. We're missing out and not serving the private
6 sector in the way I think we might be able to serve them, come
7 back and report to this Committee, this would be a new budget
8 issue that you would have to take up probably in the spring.

9 DELEGATE KILGORE: One thing I want
10 to say as the Chairman, is that I agree with what Neil said,
11 something needs to be done in workplace and workforce
12 because we've got to get these people trained. We've got to
13 have a plan, I don't want to throw money out and I'll say that
14 to the community colleges too. We're not going to approve just
15 anything you bring in here for workforce training. Because in
16 my opinion, as far as workforce training, maybe there needs to
17 be a scrapping and start this whole thing all over again. I've
18 talked with various people and companies and the workforce
19 training folks and that's something that we have to, not only as
20 a Tobacco Commission but as the Commonwealth, but we've
21 got to look at what we're doing in workforce training just so we
22 don't have four or five people doing the same thing.
23 Community colleges may be working toward that, that's fine
24 but we've got to focus on what our criteria is. We've always got
25 to be accountable.

26 MR. NOYES: With some kind of direction

1 from the Committee, we'll proceed on the basis of working with
2 the community colleges and getting back to the Committee and
3 letting you know how we might proceed.

4 The second matter, we've been working with CCAM,
5 Senator Ruff has been participating and Tom Ward was a
6 gentleman Dr. Mangum referred to as far as what Rolls Royce
7 would look for if they were going to locate their plant here. I
8 met with him and we'll meet him next week. I'll tell you what
9 they're looking for, what they told me. If they can see a
10 program in place that can guarantee that can graduate 2,000
11 people with advanced manufacturing skills, that's the ante to
12 get into the game for an aircraft engine assembly plant.
13 There's no program like that in place in the tobacco
14 commission footprint that offers that. What Rolls Royce has
15 been talking to me about and Senator Ruff is bringing in an
16 outside consultant, they mentioned the name of a firm they're
17 interested in letting the Senator and I meet with would look at
18 how to actually go about achieving that goal. Whether it's an
19 engine plant or some other advanced manufacturing plant
20 business, the issue is can they identify for their plant that
21 they'll have in Prince George County six or seven hundred folks
22 that will have the skill set they need in order to have 130 or
23 140 FTEs at that facility in order to go to the next level and
24 condition ourselves to be competitive. I'll talk next week with
25 the Executive Committee about allowing the use of some funds
26 to pursue this under Senator Ruff's direction with the folks at

1 Rolls Royce. I want to see what it is the consultants say we
2 must do, where we must do it, in order for us to be competitive
3 in the advanced manufacturing field. That's the jobs that pay
4 the money. If we're going to right the ship we're going to have
5 to go there at some point. I just want to alert the Committee
6 that's ongoing.

7 SENATOR RUFF: To put that in
8 perspective, Rolls Royce envisions about four thousand
9 employees in Prince George. The company we looked at
10 Tuesday, they draw machinists from a range of 53 miles. It's
11 not unusual at high paying jobs like that to need a number of
12 people in their supply chain, that means jobs in the footprint
13 or there's opportunities there. Rolls Royce said they thing this
14 area is great, them and their supply chain because of the
15 manufacturing backgrounds we have there are people in the
16 fifty to sixty mile radius who have experience and they can
17 draw on to mentor younger employees. So they're very positive
18 about that. All right, let's move on to the next item on our
19 agenda. We have our new proposals and what we'll do is we'll
20 use the one objection rule to start with the first page.

21 MR. PFOHL: Good afternoon. This is a
22 point of introduction. The Commission advertised July 15th as
23 the application deadline and we received 38 proposals for FY
24 12 Education Fund. Last week at Special Projects, that
25 Committee sent two proposals so we have a total of 40
26 proposals to consider. You have a starting balance of \$14.6

1 million so keep track of that in the Committee recommendation
2 column, our trickle down spreadsheet at the bottom where
3 Sara will plug in \$6.25 million. As the Senator mentioned,
4 we'd like to start with the community college financial aid
5 proposals and there's ten of those. If you recall a year ago this
6 past summer when the Committee met in Marion and you
7 invited the community colleges that serve the tobacco region to
8 ask for up to \$350,000 per college for financial aid with that
9 amount to be indexed each year. The community college
10 system adopted an 8.7% across the board tuition increase in
11 the fee this year so we increased the \$350,000 amount last
12 year to \$380,000 this year. Not everyone has asked for that
13 full amount and one college didn't ask that additional amount.
14 But we do have two new institutions that serve tobacco
15 localities. John Tyler Community College is asking for
16 \$100,000 now and they originally submitted an application for
17 \$124,000 and revised that down to \$100,000 to serve
18 residents of tobacco localities in their service area. Also,
19 Virginia Western Community College is requesting \$50,000 to
20 serve residents of Franklin County, which is in their service
21 area. We've outlined a number of students that are
22 anticipated to be served in these proposals and the number of
23 degrees and financials, which is our primary outcome measure
24 that will be obtained over the next three years with this
25 funding. One other thing that the staff has encouraged the
26 colleges to do is to align the timing of their requests so that

1 these proposals will primarily serve the 2012/13 school years.
2 We're trying to get everyone lined up like we did with the four
3 year scholarship funding, the school year that begins in August
4 of 2012. At the end of that school year, we'll know if any of the
5 \$380,000 or whatever that amount is, is used and if not, we
6 can recapture that and restore it to the education budget.
7 Another point was the Danville Community College number
8 2406 request for \$600,000, which is over and above the
9 \$380,000 cap. That's actually a request to target students or
10 individuals who got within fifteen credit hours of completing a
11 degree and try to re-engage them to an educational institution
12 to complete associate degrees and move on to a four-year
13 degree. That proposal would serve three community colleges,
14 Southside and Patrick Henry and Danville Community College
15 would participate in that. We talked with those folks. Danville
16 has said they can, given the allowance to re-budget within the
17 \$380,000 they requested and roll out a pilot phase to the finish
18 line. In the Southside proposal, they're suggesting that
19 \$15,000 be added to the \$250,000 they requested so they can
20 initiate a finish line and we've offered people more money than
21 they've asked us for, but this is one occasion. At the Patrick
22 Henry Community College proposal for \$342,000, that was
23 partly financial aid and partly some programs and staffing and
24 we can talk about the funding recommendation on that but
25 we've also suggested one year scholarship funding for Patrick
26 Henry plus \$50,000 for an initiating the finish line efforts and

1 GED funding for Patrick Henry. If you need me to walk
2 through those in more detail, I'll be happy to but Mr.
3 Chairman, I don't know if you want to vote on those in a block.

4 SENATOR RUFF: Any questions on
5 what's been presented?

6 SENATOR PUCKETT: I so move.

7 DELEGATE WRIGHT: Second.

8 SENATOR RUFF: We have a motion and
9 a second. All in favor say aye. (Ayes.) Opposed? (No
10 response.) That takes care of that in a block.

11 MR. PFOHL: With the balance there,
12 we've recommended \$2.455 to fund those proposals. And now
13 we're on track to move into what is called all other competitive
14 proposals and we've got thirty of these. As Bette Davis said,
15 buckle your seatbelt. I'll attempt to be very brief in the interest
16 of your time and walk very quickly through these if you'd like.

17 SENATOR RUFF: We operate on the one
18 exception rule. If any member objects to the staff
19 recommendation, state it as quickly as you can so you we can
20 go on to the next one and then come back to those that are
21 objected to.

22 MR. PFOHL: Averett University is the
23 first one requesting \$300,000 for equipment to establish a
24 Bachelor of Science in Nursing program. Averett to date has
25 not received Commission funding and the request for the
26 nursing simulation equipment is consistent with several

1 education grants we've made in the past year at multiple
2 facilities across the region. The staff recommends an award of
3 \$300,000.

4 2415, Blue Ridge Crossroads Economic
5 Development Authority From Lab Education to Market
6 requesting \$236,340. \$244,000 of this project would be to
7 equip a local high school lab and \$36,000 and change to
8 conduct a nine month labor market and staff thought it was
9 premature to request equipment funds that would primarily
10 benefit K-12 students and suggest that this proposal be
11 returned to us in the future round when the labor market
12 analysis study is completed. We're recommending no award.

13 2361, Bluefield College and you may recall that in
14 2009 the Committee provided \$85,000 grant to establish a
15 Bachelor of Nursing Program that Bluefield is conducting at
16 multiple sites across the tobacco region and beyond and trying
17 to help get through the accreditation process and hire a
18 program director who is seeking additional funds to continue
19 funding the program and the staff is suggesting the element to
20 the request and request they hire an assistant program
21 director and adjunct faculty might be more appropriate for use
22 of our funds and more consistent with our policy in terms of
23 not providing ongoing support for positions. The program does
24 have an articulation agreement with all three Southwest
25 Community Colleges. Staff's recommending an award of
26 \$52,000 to fund the assistant program director and/or adjunct

1 faculty to roll out that program at multiple sites.

2 2340, CVC has two requests, 2430 for their
3 Workforce Training Emphasis for Nuclear Energy and they'll
4 purchase for themselves a wire electric discharge machine in
5 their technology center. They anticipate 97 diplomas and 12
6 certificates over the next three years to support the employer
7 and foundation grants and in-time donation. Staff's
8 recommending the request of \$135,000 for that equipment.

9 The second CVC proposal 2431 for Respiratory
10 Therapy Career Opportunities is requesting \$85,050. This is
11 for renovations for a long-standing therapy lab and the only
12 one in the Southside tobacco region at the community college.
13 They're anticipating 70 diplomas over the next three years and
14 not seeking operating funds. They're equipment is worn out
15 and the staff is suggesting we help them do that with an award
16 of \$85,050.

17 2389, the Community Foundation of the Dan River
18 Region requesting just shy of \$350,000 to establish a
19 workforce training program that would be based on the
20 manufacturing skills standards MSSC Training Program and
21 this will be initially at Halifax, Pittsylvania, Danville and
22 Martinsville. They would not actually be the training providers
23 but they would in effect be the re-grantor of our funds.
24 Danville Community College has applied for the MSSC
25 certification and they have a certified MSSC instructor and we
26 feel that maybe DCC would be the more appropriate recipient

1 for investment in that project. We're not recommending
2 funding of that.

3 2380, Community Housing Partners Corporation.
4 They're requesting funds to train a hundred residents of the
5 tobacco region in a national weatherization training program
6 curricula. The weatherization center is located in the New
7 River Valley in Christiansburg. Staff points out that
8 weatherization training can also exist at the Central Virginia
9 Community College and the Dan River Regional Collaborative
10 has been using reserve funds that match national workforce
11 provisions money to provide weatherization training. And we
12 felt that was more acceptable to the residents of Southside
13 Virginia and we're not recommending funding for the
14 Community Housing Partners Corporation.

15 2346, Crossroads Rural Entrepreneurial Institute
16 requesting \$300,000 for equipment for improvements to a
17 building that they purchased using a \$300,000 Special
18 Projects grant provided last year. We offered reserve funds in
19 the amount of \$164,000 to Southwest. Unfortunately, the
20 other source of money USDA Rural Development was not able
21 to come through with the money to fund that and the staff has
22 suggested to them that they speak to USDA RD again because
23 they're approaching a new fiscal year as well as potentially
24 Appalachian Regional Commission. Staff's recommending an
25 award of \$230,000 with the potential to find a 1:1 match.

26 2370, Emory and Henry College is requesting

1 \$1,140,275.

2 DELEGATE JOHNSON: I'd like to pull
3 that one out of the block.

4 MR. PFOHL: 2413, Ferrum College
5 Garber Hall Renovation Project requesting \$520,000. There
6 are seven labs in Garber Hall and this request would update
7 state of the art equipment facilities. Three of those seven labs
8 the Ferrum folks had removed an expensive piece of equipment
9 that they were initially asking for, so they reduced their
10 request to \$375,600. Staff would point out this would be very
11 consistent with previous support within the region's
12 universities for facilities including Virginia Intermont with their
13 science lab renovations through the reserve fund as well as
14 some other proposals you'll hear more about today. And the
15 Liberty proposal. Staff is recommending \$375,636 for the
16 Ferrum Garber Hall renovation.

17 SENATOR RUFF: You said 375, this says
18 376, what is the correct number?

19 MR. PFOHL: \$375,600. Franklin County
20 2400, in partnership with Southside Community College
21 requesting \$75,000 to replicate the Southwest Virginia Race to
22 GED Pilot Project in thirteen Southside counties. The request
23 is \$25,000 for marketing efforts and \$50,000 for scholarships
24 and with this amount they feel they can generate 218
25 additional GED folks in the tobacco region and staff is
26 recommending the \$75,000 award.

1 DELEGATE KILGORE: I don't want to
2 pull it out but I know we've been funding the Race to GED
3 efforts. Is there other state funding available, Tim? Are we
4 replacing state funding or are we adding to state funding? I'm
5 not sure what we're doing here.

6 MR. PFOHL: Senator Ruff asked me to
7 look into that and last week I had several conversations with
8 people at state and local government. I'm told federal funds
9 will flow through Virginia Department of Education and
10 provide the instructions and outreach for adult basic education
11 but cannot be used for GED testing. The state has a Race to
12 GED grant program that's funded with lottery proceeds. The
13 initial grant is \$75,000 and they had \$1.9 million in this year's
14 competition and very oversubscribed proposal. The
15 administrator of that program at the Department of Education
16 said GED staff at localities are reaching into their own pocket
17 to help people take this. There's a \$70 test fee for GED and
18 most of the folks are unemployed and some are even in jail
19 getting GED training.

20 SENATOR RUFF: As we move forward I
21 think that in the future there has to be proof that they have
22 applied for a grant before –

23 MR. PFOHL: Now that we're aware of
24 that grant program we'll be trying to steer some folks that way.
25 2349, Greenfield County is requesting \$54,000 and I have to
26 take notice on this one I've given a presentation at the higher

1 education center in Emporia and in this large room on the
2 screen which was about the size of a piece of paper we got our
3 wish and they asked us for it. They're requesting sound
4 system improvements and portable audio-visual screens for
5 their large banquet hall. It's a facility that primarily holds
6 trade shows and large meetings and seminars and so forth.
7 We didn't see that this would directly impact new educational
8 credentials so staff is recommending no award. So I'm sure I
9 won't be invited to speak there again.

10 2392, Institute for Advanced Learning and Research
11 Foundation is requesting \$135,150 for their Teacher
12 Recertification Institute as well as their internship program
13 that the Commission has supported over the past several years
14 in previous grants. It would be contrary to our policy to
15 continue to fund this through additional grants and therefore
16 staff is recommending no award based on that policy.

17 2410, John Tyler Community College Foundation.
18 In addition to their scholarship proposal requesting \$150,000
19 to hire a STEM coordinator to work in three tobacco counties,
20 which is Amelia, Dinwiddie and Sussex County. 215 students
21 currently enrolled in the STEM program from those three
22 localities and the proposal tries to increase that by ten percent
23 or 21 students, which would be a high cost per student. We
24 feel that there are good counseling and career coach people
25 available at John Tyler. We're recommending no additional
26 funding.

1 2401, Longwood University Foundation initially
2 requesting \$202,000 and this is for equipment at the Southern
3 Virginia Higher Education Center in the Greensville and the
4 Commission's had a major role in funding. Longwood has
5 established a presence there and they're borrowing equipment
6 from Southside Community College. They want to initiate four-
7 year degree programs using the 2+2 approach. And that's an
8 elementary education program and the staff is recommending
9 \$202,000.

10 2442, Longwood and this was a later rising proposal
11 and they're requesting \$1.1 million to establish the Southside
12 Community Scholars Program and this is a companion to the
13 UVA-Wise program or proposal you'll see later in this
14 document. Staff has had correspondence with the applicants
15 and they notified us Lunenburg County has been added to the
16 list of Southside localities that would be targeted with the
17 scholarship funds. That's five counties now. We've asked
18 Longwood some questions about whether this would be a last
19 dollar scholarship program that leverages other state financial
20 aid so that this program might not implicate the four-year
21 scholarship that we talked about earlier today.

22 SENATOR RUFF: I would like to pull this
23 out of the block.

24 MR. PFOHL: 2407, Martinsville-Henry
25 County Economic Development Corporation has reduced their
26 request from \$1.5 million to \$200,000 to look at new facilities

1 and new construction for the New College Institute in
2 downtown Martinsville. In the last couple of weeks, NCI has
3 announced for the foreseeable future will be partnering with
4 three public universities, VCU, Radford and Virginia State.
5 This is to provide new facilities. In particular the \$200,000 will
6 be matched dollar for dollar by the Harvest Foundation for a
7 facility needs assessment surveys and environmental reports
8 and other related planning. The staff is recommending
9 \$200,000.

10 2387, Mountain Empire Community College
11 requesting just shy of \$80,000 for their On-Ramps for Energy
12 Career Pathways program and this is to complete the build out
13 of an energy demonstration trailer that the Commission helped
14 previously fund and provide equipment, supplies and materials
15 to what they call the Plugged In Program, which is a multi-
16 faceted trade program related to basic electrical skills program.
17 Staff is recommending an award of \$57,000 for permanent
18 equipment costs, excluding the students' books, supplies and
19 contracting services.

20 2405, New River/Mount Rogers Workforce
21 Investment Area Consortium Board requesting \$350,000 to
22 establish a training center in the Smith, Washington and
23 Bristol area. And the staff is recommending an award of
24 \$70,000 for updated feasibility, and business operational and
25 site analysis plan. They indicated they intend to pursue some
26 ARC funds with a dollar for dollar match to get this through

1 the planning stage.

2 2347, Russell County Public Schools is an applicant
3 on behalf of the Southwest Virginia Race to GED requesting
4 \$157,500. The Commission funded seven grants to the three
5 planning district partnerships that covered all of Southwest
6 Virginia except for one or two counties. Since 2004, we've
7 invested \$850,000 to provide additional on demand testing as
8 well as marketing. We have some numbers here and I think
9 we need to take pause and admire and appreciate. The
10 partners at the three regional adult education programs have
11 indicated since 2004 when we began funding or helping to
12 fund it, 14,600 people have taken the GED test and 10,500
13 people across Southwest Virginia have received a GED
14 certificate, which I think is a significant number and an
15 accomplishment that deserves a lot of appreciation. That's a
16 phenomenal number, I think. That being said, recurring
17 funding year after year for operational expenses is contrary to
18 our funding policy. There's another side to that coin that says
19 this is funding scholarship funds just as we fund community
20 colleges for four years. The burn rate if you will, for
21 Southwest's program has been somewhere in the ballpark of
22 \$100,000 plus they still have a balance from last year's grant
23 that they can carry that through the end of calendar year
24 2011. Staff is recommending \$100,000 to carry that program
25 through next year's funding cycle.

26 2408, South Central Area Health Education Center.

1 SENATOR RUFF: Let's pull that one.

2 MR. PFOHL: All right. Then going to the
3 Southern Virginia Higher Education Center requesting
4 \$336,400. This is a request that we fund training for more
5 than 300 existing Presto employees.

6 SENATOR RUFF: Pull that one.

7 MR. PFOHL: All right. Southside
8 Planning District Commission 2354, Lake Country Advanced
9 Knowledge Center Complex Expansion Project Phase III
10 requesting \$167,486. This is to convert a former Branch Bank
11 into one of the buildings for the Lake County Advanced
12 Knowledge Center Complex that was purchased with our funds
13 a few years ago. This would be for classroom construction for
14 additional space for EMS and distance learning programs,
15 office construction for the storage of confidential class records
16 and an area to meet confidentially with clients, students. Staff
17 recommends \$125,000 for 90% of the project expenses
18 excluding parking lot reconfiguration.

19 2372, Southside Virginia Community College
20 Foundation, Southside Workforce Academy Preparation FY12
21 requesting \$336,130. \$100,000 of this request would
22 purchase equipment to be used for the automotive training
23 program. This will expand the certification. This will also
24 initiate a job or career development program for the Southside
25 Virginia Community College campus. The staff is suggesting
26 that the automotive development, that element is \$100,000

1 and will result in direct certification of employees. Otherwise,
2 it will be more difficult to track any additional degrees if they're
3 granted. New job placements and other cited outcomes will be
4 more difficult to attribute directly to the efforts of these
5 positions and the staff recommends an award of \$100,000 for
6 the NATEF-required automotive equipment and related costs.

7 2365, Southwest Virginia Community College
8 requesting \$148,631 for the Advanced Clinical Skills for
9 Nursing, Allied Health and Emergency Medical Professionals
10 and this will be on the campus that opened in March. This
11 request would allow them to operate this facility during the
12 current school year. The college has had conversations with a
13 number of hospitals regarding establishing an endowment.
14 Staff recommends this request be funded \$148,631.

15 2336, UVA-Wise Appalachian Community Scholars
16 Program requesting \$900,000. We're going to pull that one
17 out. 2441, Virginia Advanced Study Strategies, Incorporated
18 requesting \$3 million for the AP Teacher Training and Incentive
19 Program.

20 SENATOR RUFF: Skip over that one.

21 MR. PFOHL: Moving to page 30, Virginia
22 Early Childhood Foundation, 2404, Southside/Southwest
23 School Readiness Initiative requesting \$785,925. You'll recall
24 in 2009 the Committee provided \$900,000 to support regional
25 partnerships for the school readiness program. The intent was
26 clear in 2009 that that would be the first and more requests

1 were on the way. This request involves planning and program
2 development into larger program implementation phases. All
3 tobacco region localities are now represented in fourteen
4 regional coalitions that are in various stages of Smart
5 Beginnings planning, or implementation phases. If you pull
6 the plug on this it would stifle a lot of momentum that's been
7 achieved and we are recommending an award of \$785,925.

8 2417, VHCC Cadaver Lab requesting \$110,000.
9 They're requesting \$110,000 to establish a cadaver lab and it
10 will serve over 1,000 students in the region. Primarily used by
11 anatomy and physiology students who would be the ones who
12 are getting the cadavers. Staff recommends an award of
13 \$110,000.

14 2409, Virginia Intermont College Master Plan for
15 Educational Facilities Expansion, requesting \$267,000. We're
16 currently assisting the VI with renovations to their health
17 sciences building and this would take a more comprehensive
18 look at the entire campus. It will examine academic facilities.
19 We feel there will be some matching funds so we're
20 recommending half, which is \$148,500 contingent on a dollar
21 for dollar match. We encourage VI to reach out to the
22 Appalachian Regional Commission and other potential funders
23 for the project.

24 DELEGATE KILGORE: I noticed three or
25 four have been pulled out here. Before you approve all these
26 in a block if the Chairman has money left over, we might wait

1 until we hear, we might want to hear from some of these others
2 before you approve everything.

3 SENATOR RUFF: I appreciate that
4 comment.

5 MR. REYNOLDS: Number 2405, that's
6 the New River/Mount Rogers Workforce Investment Area.

7 MR. PFOHL: We did you go over that one.

8 MR. REYNOLDS: I'd like to pull that out
9 of the block.

10 SENATOR PUCKETT: Anyone in the
11 audience that's here that wants to speak, 2392? I had some
12 people come to me about it, I don't know if anyone is here. I
13 want to pull out 2392.

14 SENATOR RUFF: The ones that are
15 pulled out are 2370, 2392, Longwood 2442, New River 2405,
16 South Central 2408, 2388, University of Virginia-Wise 2336,
17 2411. I would invite a motion –

18 DELEGATE KILGORE: All I'm saying is
19 those that are pulled you vote all the rest of them in in a block
20 you'll only have \$1.8 million left to deal with what these
21 requests are. I'm just trying to be up front.

22 DELEGATE WRIGHT: I move we accept
23 the staff's recommendations.

24 SENATOR RUFF: Do I have a second?

25 UNIDENTIFIED: 2407.

26 DELEGATE WRIGHT: Following up on

1 what the Chairman said, I don't know if anything's wrong with
2 discussing it but I think we can vote what we have in a block.

3 SENATOR RUFF: We have a motion and
4 a second, any more discussion? The motion is we approve
5 those that are not pulled out of the block and the second.
6 Those in favor say aye. (Ayes.) Opposed? (No.) We have one
7 no.

8 DELEGATE JOHNSON: No.

9 SENATOR RUFF: Let's go back down the
10 line and start with 2370, that's Emory and Henry College.
11 Anyone want to speak to that?

12 DR. REICHARD: I want to thank you for
13 allowing me the opportunity to address you. I appreciate that.
14 This is an educational proposal and it's in regard to the
15 physical therapy program in the town of Marion. And it's an
16 economic development proposal as well. The location, as you
17 know, is very disadvantaged with a high unemployment rate.
18 This particular proposal provides significant economic
19 stimulus we estimate to the area. As you know the healthcare
20 profession is growing. There's a tremendous need. There's a
21 very good demand for physical therapy. And there's
22 tremendous demand. It is an investment more than just
23 physical therapy. We'll take all the net revenue and plow it
24 back into this particular project. You can see from any
25 economic reports we'll offer employment for occupational
26 therapists and we'll be looking at other programs and that's

1 just one thing we're going to do with the net revenue we
2 receive. The project itself is a \$2 million project. Because of
3 this partnership, Emory and Henry College has put a lot of
4 money into this as has many organizations, the Town of
5 Marion, Smyth County, all the foundations have offered their
6 support. We came to you with a request for \$1.1 million. We
7 do appreciate the staff's recommendation of \$370,000 but
8 that's far short of what we really need and the \$1.1 million.
9 We really need this funding and we want to go forward with
10 this project and we ask you to reconsider additional funding.
11 We've gone back and sharpened our pencils a little bit and we
12 think we can go forward if we have another \$500,000 to help
13 with renovations to the buildings. To clarify in the staff report
14 a question about the building. The building is currently owned
15 by Mountain States Healthline and they will agree to deed it to
16 us and we will own that building. It will be our building as we
17 move forward with this project. So our request is that you
18 consider providing additional funding and thank you for
19 allowing me to speak. Any questions?

20 DELEGATE JOHNSON: Suppose you got
21 an additional \$250,000 would that help?

22 DR. REICHARD: We certainly appreciate
23 any funding, of course, \$500,000 or any funding would
24 certainly be appreciated.

25 DELEGATE JOHNSON: You say
26 \$500,000 but you'd accept another \$250,000?

1 DR. REICHARD: Yes, we appreciate any
2 additional funding that you can provide, sir.

3 SENATOR RUFF: Thank you. The
4 attorney for this project. Tim would you give us that on that
5 project?

6 MR. PFOHL: The aspect of the request,
7 which was nearly a million dollars of renovation to the
8 building, not all of us but the staff is concerned that would be
9 public funds to finance renovations to a privately owned
10 building that was leased by the college as the proposal was
11 submitted. The information that the President provided today
12 that the building would be deeded to them would substantially
13 change our position on that. We also feel like the program
14 showed significant surplus operating revenue and there's some
15 opportunity we think to review market tax credit financing as
16 well as considering the twenty percent of renovation costs. We
17 feel like that presents some potential to fund some of the
18 requested property renovations.

19 MR. NOYES: Thank you, Mr. Chairman,
20 it's not that we won't support post-graduate programs and
21 doctorate programs and master's programs. We have always
22 and we can do help people through undergraduate programs.
23 I think we've done a remarkable job with that. And I know at
24 Emory and Henry there's some additional programs. I think as
25 a policy matter this Committee needs to make a judgment
26 whether you're going to take resources, it's a policy question

1 whether you want to talk about investment versus continuing
2 undergraduate level programs.

3 SENATOR RUFF: 2392, Institute for
4 Advanced Learning and Research Foundation.

5 MR. PFOHL: There's two aspects to this
6 proposal, continue the Summer's Educator's Institute that
7 they've been offering for a number of years where teachers
8 come in and attend programs for recertification as well as,
9 we've provided support for those activities over the past several
10 years. Then the \$1.5 million operating grant for the Institute a
11 number of years ago. The policy adopted by the Executive
12 Committee says we must continue to do operating funding on a
13 three or four year period. We reached that point with the
14 Institute Program. As wonderful as these programs are to help
15 retrain teachers and give college students real world work
16 experience, it would be contrary to our policy to support this
17 from the staff's perspective.

18 UNIDENTIFIED: I thank you for the
19 opportunity to appear before you today and just a little follow-
20 up. The program is in two parts, one for providing extra
21 training for teachers especially in the area of science,
22 technology, engineering and math. Secondly, to provide an
23 opportunity for college interns. The absence of the program
24 obviously makes it very difficult to impossible for us to provide
25 support for the teachers without your help. There would be a
26 lot in our particular area for teachers to be able to get extra

1 tuition and extra skills. For the internship program, it means
2 college students won't be able to participate in a real life world
3 situation because the funding we get for each of the
4 placements we make are matched by industry. I don't have
5 the numbers in my head but there are numbers that show that
6 some of the students participating in the internship, some of
7 them have resided in the region. I understand your policy but
8 we wouldn't be able to continue this program successfully
9 without some help. Thank you for your time.

10 SENATOR RUFF: Thank you. Longwood,
11 2336.

12 MR. PFOHL: UVA-Wise submitted a
13 proposal to Special Projects back in the summer and
14 approaching the Special Projects Committee they requested
15 \$900,000 to establish the Appalachian Scholars Program.
16 There was conversation between the Commission leadership
17 and the UVA-Wise leadership to encourage UVA-Wise to reach
18 out to Longwood University and have conversations about
19 those two public in-region universities, approaching the
20 Commission simultaneously in a request for funds. The
21 Longwood folks had very little time to bring their proposal
22 together but they did get it to the Special Projects Committee
23 last week when that Committee decided that any funding for
24 the additional four-year scholarship in the tobacco region
25 ought to be a decision that this Committee makes. It was sent
26 over a week ago from the Special Projects Committee. Staff

1 has continued to have dialogue with Longwood in particular
2 most recently but with both the universities thinking about
3 whether these programs would be last dollar scholarship
4 programs and state and federal financial aid would be
5 exhausted before our dollars are applied to the student's
6 situation. We put the challenge to them to show us we do not
7 duplicate the four-year scholarship program that this
8 Committee has supported for a number of years. Staff
9 suggested particularly in light of the changes with the four-
10 year program you adopted today that these two institutions
11 ought to be given the opportunity to go back and refine their
12 proposals and approach the Committee again at the next
13 opportunity. We're recommending both of these be tabled.

14 SENATOR RUFF: Tabled rather than
15 rejected?

16 MR. PFOHL: Yes.

17 DELEGATE KILGORE: UVA-Wise, is that
18 last dollar?

19 MR. PFOHL: I haven't seen anything in
20 writing that indicates that.

21 SENATOR PUCKETT: I believe that's
22 correct.

23 DR. PRIOR: The answer to that question
24 is yes. This is fashioned after a four-year pilot at Mountain
25 Empire Community College, which was founded by the
26 Commission with the Ames Program that we received funds

1 from the Commission and tacked on the final two years and
2 forward to test if those students were interested in seeking a
3 four year degree. We'd been funding that out of our financial
4 aid program. It's a last dollar program. We package our
5 students with the tobacco money, the Pell Grants, the federal
6 and state aid we can get and then to top it off there's full
7 tuition and then in the fourth year of that we enrolled about
8 thirty students a year that transferred to Mountain Empire. If
9 I didn't make it clear, that's our policy. There's a couple of
10 clarifications we can make, but I hope I've answered that
11 question.

12 UNIDENTIFIED: Thank you, we are
13 struggling to align ourselves with the Governor's Top Job
14 legislation. The technology and science programs and the
15 STEM healthcare program, we have the only Bachelor's degree
16 in software engineering in the Commonwealth of Virginia and
17 we've got 100% placement for those engineers in our region.
18 There's CGI and others, Rolls Royce is now in conversation
19 with us starting that program. One of our problems is having
20 a pipeline to fill those degree programs. The program we
21 propose to you is two-pronged fashioned after our four-year
22 pilot, the Ames Program. That is starting with families of
23 middle school students, those teachers and students with an
24 educational program to enhance their understanding of career
25 options and their understanding of the preparation and
26 potentiality, if necessary, to move on to the four-year degree.

1 We're proposing a scholarship piece that will have, I should
2 clarify that for the staff, it's grown out completely and our
3 sharing capacity of four hundred students are roughly nine
4 hundred to one million, it will be four hundred students. Our
5 first phase was Phase I, was to start the education outreach
6 partnerships with the middle schools. We have been asked by
7 Lee County to start meeting with an eighth grade cohort and
8 we're meeting with them and their teacher/counselors. We've
9 been asked by Dickenson County and we're deep in
10 conversations with Wise County and the City of Norton. Scott
11 County and Russell County have expressed interest with the
12 same sort of program. We've been partners in the Ames
13 Program in the past. So with our two-pronged, we're trying to
14 build a very strong educational bridge to the middle school to
15 follow that through preparing students with the STEM program
16 and the health program at UVA-Wise. The reward for their
17 attention to detail through high school is guaranteeing a full
18 tuition and fees award. It is one in which we package all of
19 their tobacco monies from tobacco families, Pell Grants, state
20 aid, we top that off so they get a full tuition and a four-year
21 package. We roughly spend about \$2500 per student and that
22 goes from the Ames students who have joined us over the past
23 four years. When we roll it out, we expect a million dollar
24 program and we will have full classes at the University and
25 that will allow us to support 375 to 400 scholars. We're asking
26 the Tobacco Commission to help us start that.

1 DELEGATE KILGORE: The first thing is
2 to get them through middle school.

3 DR. PRIOR: Building those bridges, we
4 hope to launch those that are seniors now into the STEM
5 program at the University. The basic first step is building the
6 groundwork in middle school. I told somebody about three
7 years ago I was invited to Lee High to open the school year for
8 all of the teachers and I described to them not our potential
9 funding source but our eagerness to find and combine funding
10 to ensure that the Lee County kids, the eighth and ninth
11 graders had an end game in plan. That is the objective. Those
12 bridges can be built in our region and most of the teachers and
13 superintendents are graduates of UVA-Wise and have a very
14 strong relationship. The first part would be to build that
15 bridge to middle school and the second part would be if
16 possible and as we looked at your financial pages and if we
17 could get started with about \$450,000 we can start building
18 those bridges in the four counties and have money to interview
19 at least 75 students who are seniors to get into college and our
20 focus will be in healthcare and in our area it happens to be
21 nursing, pre-med, pre-dental, software engineering. Thank
22 you.

23 MS. ATKINS: We're also putting forward
24 a scholarship proposal that would take in about four counties,
25 Prince Edward, Charlotte, Lunenburg, Cumberland, Nottoway
26 and first-year generation students underprivileged and

1 underserved students. We need funding to establish. We're
2 also interested in the computer field. We feel that's an area
3 that we need to take a look at for Southside and it's like the
4 chicken or the egg. Companies will not come in because we
5 don't have the qualified staff and workforce. If we don't have
6 the workforce, the companies won't come. We're trying to
7 build some other foundations so we will have these programs
8 in place so we can work with children through high school,
9 different areas of the region. And we want to build upon that.
10 We're also trying to work with the schools to help more
11 students stay to study the sciences and technology field.
12 Those are very positive areas for Southside Virginia. Southside
13 Virginia is the fifth largest, Longwood wants to be a part of all
14 that.

15 DELEGATE WRIGHT: I don't have a
16 question, I'd just like to add as Chairman Kilgore pointed out,
17 these programs are starting and I think there's a lot of
18 potential, mindful of the staff's recommendation for funding. I
19 think these programs are important as they're trying to start
20 and they'd certainly be a tremendous benefit to a lot of people.
21 I'm sort of interested in finding out what possibly they have in
22 mind.

23 SENATOR RUFF: Any further discussion?

24 MR. NOYES: A couple of observations.
25 Everybody's interested in the STEM educational, it's very
26 important. It's important for Longwood. We've heard there are

1 about eight or ten or twelve out of 41 political subdivisions are
2 the initial focus of UVA-Wise and Longwood, that request is for
3 a couple of million dollars. There are eighth grades in all 41
4 jurisdictions. This is going to get very, very expensive as we
5 expand. The policy has been to not participate in K-12, that's
6 been something that's been before the Commission on many
7 occasions. This is a direct request to use funds to start in the
8 7th and 8th grade in only some and not all jurisdictions served.

9 So as you deliberate and think about this, staff's
10 recommendation is to give us an opportunity to work further
11 with the school and see if there are ways that we can and other
12 partners to do those things that historically we have not done.

13 While this is two schools, there are lots of four-year schools.
14 It may make sense to you not to be critical of the objectives of
15 this but to take more time before we make a recommendation
16 to the full Commission to fund something that will only serve
17 some and not all is contrary to the established policy working
18 in the K-12 span.

19 SENATOR RUFF: Let me clarify, you're
20 saying you think that next year or the next cycle we could have
21 eight or ten new proposals?

22 MR. NOYES: Let me just say we could
23 have as many of these proposals as there are four-year
24 institutions within the footprint of the Commission.

25 DELEGATE KILGORE: I think our
26 Executive Director is being a little bit, we disagree totally on

1 this one because what I think is important is what's in our
2 footprint, the Virginia Tech and UVA and other public schools
3 outside our footprint are going to get along fine. When we're
4 talking about educating, going into like the eighth grade, we're
5 already doing that with the Ames Scholarship Program, we've
6 already crossed that. Anything we can do to get those parents
7 more involved in that kid's education, I think we ought to be
8 doing. Everybody can sit there and say they're going to have
9 all these other people come in, there's no perfect solution and
10 we just have to say no, we just say no when that comes up.

11 SENATOR RUFF: I think for purposes of
12 tabling it to discuss how we would change the model of how
13 we're going to go forward. If we go forward haphazardly like
14 Tommy says we should have more money for the scholarship
15 program, we'd probably have to reduce some of this money for
16 scholarship. We can't fund everything.

17 DELEGATE KILGORE: All I'll say is the
18 Tobacco Commission can work with people, I'm not saying we
19 should forget it but I think I could live with that and maybe
20 Tommy could live with that, too. We've got to work on this and
21 I think it's very important.

22 DELEGATE WRIGHT: I would agree with
23 Delegate Kilgore and particularly in areas like Longwood
24 College might feel left out. We're particularly hurting in our
25 area. I just think these scholarship programs are very
26 worthwhile.

1 SENATOR RUFF: Let me clarify and say
2 that –

3 MR. NOYES: We'll work with those
4 institutions that have applications pending before us; there will
5 have to be some refinement that will be more inclusive that
6 might bring up more funding questions in general. There are
7 parts of what's proposed that we have not done traditionally.

8 SENATOR RUFF: We're down to 2405,
9 New River/Mount Rogers.

10 MR. PFOHL: I apologize, sir, Sara
11 Williams is not here and she wasn't feeling well today but she's
12 been working with these applicants that initially were looking
13 at a specific property. They backed off now and their feasibility
14 operational planning process with a number of partners. I
15 think it's an appropriate partnership and they're pursuing the
16 appropriate sources, not only our funds but the Appalachian
17 Regional Commission funds. The staff has supported that with
18 about \$70,000 planning phase.

19 MR. GRAVITS: Good afternoon, I'm
20 Bruce Gravits and I'm the CEO for the Southwest Alliance of
21 Manufacturing, which is a non-profit industry group to design
22 enhanced workforce training within the industry. Our group
23 includes and some people are here from Southwest Virginia,
24 many of you know them, Universal Fibers, General Dynamics,
25 General Engineering and many more. Those manufacturers
26 employ about eighty percent of the manufacturing employees

1 in the two county area. We do represent a good deal of them.
2 Our history is that we recognize that adult centers are
3 physically falling apart. Three years ago we partnered with
4 ARC to do a study of feasibility of putting a new workforce
5 training center in Southwest Virginia. Our industries aren't
6 being served well enough so we decided we had to do this and
7 our timing was where we finished this thing right at the depth
8 of the recession. Since then, even some members of the
9 Tobacco Commissions have shown some interest in that study
10 and our activities. We put together a group to support this
11 activity in Southwest Virginia Training Center and including
12 the Mount Rogers Workforce Investment Consortium, Smyth
13 County, Washington County, the City of Bristol, Virginia
14 Highlands Community College, the Mount Rogers Planning
15 District Commission, the Manufacturing Technology Center,
16 the Alliance of Manufacturing Consortium, the Higher
17 Education Center, the Virginia Employment Commission, BVU.
18 Latecomers to this process has been people that are involved
19 in the CCAM operation and that involved Prince George
20 County. We're here to ask for full funding of the \$350,000 of
21 the \$390,000 project. The staff did recommend \$70,000 for an
22 updated feasibility study, which we have to bring the old
23 numbers current, the site analysis and comprehensive
24 operation plan. The first two categories, the updated feasibility
25 plan can be done very quickly because as Jim pointed out, we
26 actually have a facility in mind. For those of you that may not

1 know there's a former motorsports facility right on Route 81
2 that's for sale. It looks like it would make a very good
3 workforce training center. Because the facility exists, the
4 feasibility study would be a piece of cake. The reason we're
5 asking for this in such a rapid manner is because this
6 Committee has decided to do a one-year and not two, so that
7 would possibly be, that might delay for two years the
8 acquisition of this property if it's available to us at all because
9 it's now on the market and we're interested in doing it.

10 DELEGATE KILGORE: Where are you
11 going to get the money to buy the building if we put up these
12 other funds?

13 MR. GRAVITS: That's why we were going
14 to come and see you next year. The reason for putting together
15 all the organizations was to try to find multiple sources of
16 funding and the funds used for the study would be what we'd
17 have to do within the next year, purchase cost and the funding
18 sources. Basically that's it. We found out the portion of the
19 request that we had with the recommended funding excluded
20 part of the study that would require detailed engineering
21 analysis to see what the comprehensive business plan cost
22 would be; you'd have to pretty much do those together. The
23 part that's left out is the part that we wouldn't be able to do,
24 we wouldn't be able to have the, the last part would not be
25 done until the part that was not recommended is finished. We
26 ask for the purpose of the needs in terms of the hands on skills

1 that we discussed previously. In our part, for the most part
2 that's CMC Machining, Welding and Electro-Mechanical
3 Equipment Maintenance Program. Things like that are very
4 important to our area and especially those industries that want
5 to expand. They're having difficulty finding people that are
6 skilled enough to do this work. I'd like to introduce David
7 Matlock with Virginia Highlands Community College.

8 DR. MATLOCK: Good afternoon, I'll be
9 very brief. We want to thank you for the \$70,000 that the staff
10 recommended. My name is David Matlock and I'm Vice
11 President for Institutional Advancement at Virginia Highlands
12 Community College. We've traveled down this road with all our
13 partners and manufacturers that have been mentioned in
14 Bruce's part of the presentation. I just want to make it very
15 clear that Virginia Highlands, our role would be a leadership
16 role. The reason why we need the feasibility study completed
17 is that we know what we need and we know where it, the site
18 analysis and the business plan. Once we get that done, the
19 reason why we need the second piece of funding is so that the
20 Vice President of Institutional Advancement as I work with
21 donors, potential donors about this concept where the
22 feasibility study says we need it and this is what it might look
23 like, that gives me something to take to them to show them
24 we've got the engineering done and this is what it's going to
25 cost to complete this facility. I thank you for the consideration
26 you've given us in the past and our goal is to serve the

1 workforce needs of the region. Thank you.

2 MS. PARKER: My name is Kristy Parker
3 and I'm the Director of Economic Development for Washington
4 County. In closing, I'd like to thank the Tobacco Commission
5 not only for funding but for your strong encouragement to ask
6 Rolls Royce to come to Southwest Virginia and to talk with
7 economic developers several weeks ago. What we've heard
8 loud and clear from the CFO of Rolls Royce is that to condition
9 ourselves for Rolls Royce suppliers we need to have a robust
10 workforce training center for one-stop, if you will, so we can
11 bring in prospective industries and show them that we can
12 provide the workforce. Our existing program concerning
13 workforce can only produce 25 a year. So in order for us to
14 meet the needs in our existing people, if we can't meet their
15 demands then how can we meet the demands of any new
16 industry that might look at us. We want to position ourselves
17 in Southwest Virginia to meet the needs of Rolls Royce and
18 suppliers like that so we ask you to partner with us. Thank
19 you very much.

20 SENATOR RUFF: Any questions or
21 comments?

22 MS. DIYORIO: I want to ask one of you,
23 the additional piece you keep talking about, additional study,
24 how much is that?

25 MR. GRAVITS: \$320,000.

26 MS. DIYORIO: I think somebody

1 mentioned one piece of that that you needed in addition to the
2 \$70,000.

3 MR. GRAVITS: That would be
4 preliminary, the actual site. The answer is \$320,000 for
5 engineering how that site would be built.

6 UNIDENTIFIED: That would make it site
7 ready, we could run with it and that would shave a year or two
8 off the project. We could be ready and start, we need the site
9 analysis and then start on the renovations and then get our
10 operational plan once we have the cost for renovations and –

11 THE COURT REPORTER: Would you
12 please speak up?

13 SENATOR RUFF: Would you identify
14 yourself?

15 UNIDENTIFIED: I'm Betty ---, Virginia
16 Highlands.

17 MR. NOYES: Mr. Chairman, it was
18 earlier alluded to in the Executive Committee precisely about
19 this doing this with an outside firm through the CCAM
20 relationship but looking across the entire Tobacco Commission
21 footprint, preparing how to support for the staff
22 recommendation. Getting into duplicating efforts assuming
23 that the Committee gets a green light next week. We're
24 preempting an independent analysis.

25 SENATOR RUFF: 2408, South Central
26 Area Health Education Center.

1 MR. PFOHL: As I mentioned earlier, we
2 provided funding over a few grants in recent years \$375,000 in
3 past grants. Some of the requested activities would be ongoing
4 operational support such as we have provided in the past as
5 well as some telecom upgrades and computers and so forth.
6 The staff is basically viewing this as primarily contrary to the
7 policy of ongoing operational funds. The staff is not
8 recommending an award here.

9 MS. KENNEDY: My name is Regina
10 Kennedy. I'm the Executive Director of the South Central Area
11 Health Education Center. I'd like to thank the Committee and
12 the Chair and the staff for allowing me to speak today. In
13 reference to the project, this is a new initiative, not an old
14 ongoing program. We actually started the program in May.
15 Prior to that we received funding to plan the curriculum and as
16 far as implementing it, we're just beginning to implement it for
17 the actual program. Sometime we plan to expand the, this is a
18 formal program and it's a certificate program. This program is
19 important for economic revitalization with displaced
20 unemployed adults who are located in Pittsylvania County. We
21 do serve the entire tobacco region. These funds will help us
22 enroll more CMA students to establish the LPN program. It
23 will help establish opportunities for CMA graduates to continue
24 their education in the LPN program. It will increase their
25 income and their ability to support their families. This
26 program began in 2003 and has been successful. We also

1 wanted to offer a career ladder not only for our graduates but
2 for individuals in the area. We've also received support from
3 the town of Hurt, from Pittsylvania County. We've heard over
4 and over today that healthcare is where the jobs are and
5 there's a great need to be able to provide training for
6 individuals unemployed. Thank you.

7 SENATOR RUFF: Thank you. Next is
8 2388, Southern Virginia Higher Education Center.

9 MR. PFOHL: This is a request to provide
10 training to 300 or more existing Presto employees in South
11 Boston at the Higher Education Center. Ms. Carter is here and
12 she's been very involved in the project. The Higher Ed Center
13 has issued an RFP to provide training modules. Danville and
14 Southside Community College has partnered with former
15 Philpot Manufacturing Partnership to fund that RFP and they
16 have been selected to provide that training. This proposal is
17 about \$216,000 to be passed through to those trainers. A very
18 small piece, about \$15,000, which would allow the Higher Ed
19 Center to pursue certification by an international association
20 for continuing education and training. There's about \$105,000
21 in this proposal to hire two staff members at the Higher Ed
22 Center over a two year period to coordinate the training
23 program. Staff is suggesting that the training programs are
24 contracted out to the community colleges; we weren't
25 convinced there was a need for the two staff positions at the
26 Higher Ed Center. We suggested carving that out of the

1 proposal. We may hear some different opinions on that today.

2 MS. ADAMS: My name is Betty Adams
3 and I am the Executive Director of the Southern Virginia
4 Higher Ed Center in South Boston. I brought with me today
5 Ms. Joy Johnson, who is the plant manager of Presto who will
6 be receiving the training under this workforce initiative. Tim
7 has told you that staff has recommended only the support that
8 is requested to achieve the outcome of this project. I'd like to
9 give you a little background and explain why the support is
10 needed and is necessary and important. Presto is one of
11 Halifax County's largest employers. They are a market leader
12 in private label food and disposable food bags specialty firms.
13 If you ever cooked a turkey in a bag it probably came from
14 South Boston. They have been lucky in that they have
15 experienced incredible growth in transition over the last few
16 years. They have added thirteen lines to their production and
17 they're growing at a rate that they can hardly handle. They've
18 had trouble like many other manufacturers that we've heard
19 from in our area - finding workers who are trained, who are
20 workforce ready and being able to keep them. For them, the
21 traditional workforce training program through the community
22 colleges have just not met the nature of their business. Now,
23 we've heard a couple times today the name Rolls Royce
24 mentioned. I was at a meeting at the Patrick Henry
25 Community College. The CFO of Rolls Royce was there and
26 talking about how Rolls Royce wants to build 30 factories and

1 he was very blunt about workforce readiness. He said there's
2 no stable workforce proposition for Southside Virginia and
3 that's the biggest challenge he sees. We believe this project will
4 not only meet the work readiness needs of Presto but we also
5 see it as an opportunity to develop a workforce readiness
6 program template that can be used in this industry. Presto
7 executives approached the Governor last December and asked
8 for his help in getting the workforce ready to go. He turned
9 that challenge over to the Deputy Secretary of Commerce and
10 Trade Mary Rae Carter and got the Southern Virginia Higher
11 Ed Center to help coordinate and facilitate to lead the project
12 team to develop that workforce program. Since that time, our
13 workforce services department, the one and a half persons of
14 them, have been completely focused on developing a workforce
15 readiness training program. We developed an RFP and a wide
16 range of training providers both public and private then have
17 listed to what the training needs are then competing to decide
18 which one would provide the most effective training needs.
19 You need to consider this project on the micro level. We are
20 addressing the individual workforce needs of Presto and this is
21 a very complex and a very large scale project. We're talking
22 about in the next two years providing almost twenty thousand
23 training hours more than 300 employees, four level of
24 employee classifications, four shifts and we have three training
25 providers that will be coordinating and providing that training.
26 There needs to be someone who can coordinate, schedule and

1 make sure that training occurs. At the macro level we also
2 need educational expertise of someone who can look at how the
3 project plays out, assess what went well and what did not,
4 work with the training providers and work with and develop
5 that scalable program.

6 So I'd ask that you consider, I'd see why the staff
7 would have questions about funding staffing and I understand
8 that and I consider what Neil said. I'd ask you to consider my
9 comments and I'd like to ask Joy Johnson to speak and offer
10 some comments from her perspective.

11 MS. JOHNSON: Good afternoon, I'm Joy
12 Johnson. I appreciate the opportunity to speak with you this
13 afternoon about this proposal. One of the biggest challenges
14 for our area is to provide jobs for the community of South
15 Boston. The biggest challenge for us is that growth has been
16 hourly staffing, we're not adding any staffing to the leadership
17 positions and we need that to carry out these projects and
18 make sure we bring these folks in and provide the level of
19 service that we need to service our customers. We have grown
20 by over a third in the past two and a half or three years. The
21 rapid growth has made it possible that or what we have to do
22 is make sure we have enough trained people to keep going and
23 operating. This involves folks operating machinery and the
24 quality level for our products that we provide for our
25 customers. Our facility in South Boston and we've had a high
26 demand for products thank goodness. The South Boston

1 facility serves the entire East Coast from Maine down to
2 Florida. We have grown tremendously. This has really helped
3 South Boston and also needless to say provided jobs for many
4 people. In 31 years that Presto has been in South Boston,
5 we've never had a layoff and we're trying to focus on that and
6 make sure that continues. I'm very happy with the work that
7 Mary Rae, that she has provided for us. We're excited about
8 what we've been able to do and looking forward to what we can
9 do in the future. With the limited staff we have it would be
10 almost impossible to keep going unless we have some support
11 and that's what we're asking you for. We've also learned in the
12 past couple of months that we're also in the works to add
13 additional equipment next year that will mean more growth,
14 looking forward to that. We appreciate the opportunity to
15 speak to you all today, thank you.

16 DEPUTY SECRETARY CARTER: Thank
17 you, Mr. Chairman, thank you for the funding for the
18 community colleges and the recommendations made for that.
19 This is a massive project. When the Governor asked me to
20 speak to the CEOs and they were all in the same room, he said
21 we need to take care of this. The CEOs looked at me and said I
22 know where you get dollars I know what the training needs
23 are. When I went to Southern Virginia Higher Education
24 Center, two community colleges represent one area. And they
25 came up with a wonderful model in my opinion to be able to
26 train this size project, three hundred and some employees with

1 incredible shifts and that's the complexity here. I think it's
2 important to have someone oversee this project. This is
3 something that could be replicated in other areas of the state if
4 we can make this successful. Having someone coordinate it
5 and oversee it and see what the outcome is, I think would
6 certainly be well worth the return on the dollars. And I believe
7 the project is well worth it.

8 SENATOR RUFF: I'll ask a question and
9 anyone can answer it.

10 UNIDENTIFIED: It's a two-year program.

11 SENATOR RUFF: The training part of
12 that is \$216,000.

13 UNIDENTIFIED: That's the cost of the
14 certification and the cost to pay the training providers.

15 SENATOR RUFF: Fifteen thousand for
16 the certification? \$216,000 for the training for that period of
17 time?

18 UNIDENTIFIED: That's right.

19 SENATOR RUFF: But the person to
20 oversee that is going to be almost half of that amount? That's
21 pretty high overhead, isn't it?

22 MS. ADAMS: All I can answer in that
23 regard is that the complexity of this project is incredible.

24 SENATOR RUFF: Maybe I'm missing
25 something here. What responsibility will the community
26 college have in this project?

1 MS. ADAMS: The three training providers
2 are Southside Virginia Community College, Danville
3 Community College, and GENEDGE. They each will be
4 providing separate components of the training. Not one of
5 those will have responsibility for the entire program and they're
6 doing pieces and parts.

7 UNIDENTIFIED: It sounds like, are these
8 part time workforce specialists 1500, this would be like three
9 partners, are they training over 300 people on three different
10 shifts over a two year period? Personally I can see the need to
11 coordinate the training. You need something to coordinate
12 this.

13 MR. HAMLET: Is it accurate that this
14 position will be working with other employees?

15 MS. ADAMS: Presto, that's the same
16 things we're hearing from other employers in our area. It's
17 kind of a Band-Aid approach because we've been so involved
18 with Presto. We want to put together a job-readiness boot
19 camp for a number of people and model it along this. We need
20 to take care of their needs now. I believe that, yes.

21 MS. CARTER: Not long after we started
22 our project with Presto there was another company in that
23 area that also sat down with me and a number of others about
24 workforce issues, we're still working on that.

25 DELEGATE KILGORE: You know we have
26 limited resources here. What's the least amount you can do to

1 do this? I see these grants and I know \$105,000 and I know
2 there's got to be some flexibility in here. What's the least
3 amount you can do this, can you do it with seventy?

4 MS. CARTER: We would prefer \$105,000,
5 that would be better than nothing right now.

6 SENATOR RUFF: Thank you all for your
7 presentation. Moving down to 2411, Virginia Advanced Study
8 Strategies, Inc.

9 MR. PFOHL: You have a fairly lengthy
10 report and description of this program. I thought it was a very
11 informative report on a significant investment that the
12 Education Committee made in 2007 to help attract the
13 designation of VASS as one of the original math and science
14 state programs. You see quite a bit of info about schools, our
15 initial grant of \$2.5 million. You can see the location of the
16 schools and the number of students trained and the test
17 scores that have been achieved in those localities. The VASS
18 people make multi-year commitments to each of these schools
19 and join them. They're telling us that in order to add
20 additional schools over the next three years, they're seeking \$3
21 million but I think you'll hear from Jennifer Stevens. A one-
22 year obligation of funds to help them get started with the new
23 cohorts would certainly help.

24 SENATOR RUFF: Before you do that,
25 when did this start?

26 MR. PFOHL: 2007.

1 SENATOR RUFF: How long a period?

2 MS. STEVENS: Six years.

3 SENATOR RUFF: That was how much?

4 MR. PFOHL: That amount was \$2.5
5 million.

6 MS. STEVENS: As Tim mentioned, you
7 have a lot of information in front of you that I hope you'll take
8 some time to look at some of the data that was provided you.
9 Our program got started in 2007. We received on behalf of the
10 entire Commonwealth of Virginia such as the Tobacco
11 Commission, a \$13.2 million grant to take a proven program
12 that had been in Texas and replicate it here in Virginia along
13 with five other states who are doing the same thing. We
14 provide extensive content-focused training for advanced
15 placement and pre-advanced placement teachers. We work
16 with them to have a vigorous curriculum. We have a program
17 of measurement and accountability that is generally not
18 included in K-12 education. We developed a program called
19 High Expectations for students well above those that are being
20 currently worked on for the Standards of Learning. We do
21 dedicated career advising on working with children and
22 parents to help them understand the importance of accepting a
23 rigorous curriculum as well as having the work ethic to get
24 them through it. We also provide structured financial
25 incentives to teachers and students for accepting the
26 challenges and showing results. Over the past several years,

1 we have moved from serving ten schools in the Tobacco
2 Commission region to 23 now. We are currently serving 65
3 total schools from as far west as Bristol to as far east as the
4 Tidewater region to as far north as the Woodbridge area. We
5 worked very hard to make sure that the dollars from the \$13.2
6 million grant along with the money you all have given us to
7 support the program have been spent in the tobacco region. I
8 would say you have received a return on investment that
9 would be much higher than it is in some projects. Not only
10 have we spent about half of the money that's currently
11 committed to us from you all but we have at least tripled that
12 investment through other funding from the National Academy
13 of Science and the National Math and Science Institute and
14 others throughout. We are looking to expand the program to
15 include twelve more schools in the tobacco region; those are
16 noted in our proposal.

17 I want to go through a couple of things that you
18 need to keep in mind. It's something you have supported in
19 the past and the reason you supported it was not about
20 putting money into schools, which are often seen as black
21 holes. It was a workforce training program. There was a way
22 to help train teachers and administrators, training they're not
23 getting otherwise. In some schools, there is not much
24 professional development going on. These teachers are getting
25 great training from us and the ongoing support, which is often
26 unseen in some schools. The training is needed for teachers to

1 be able to continue to get licensure with the state of Virginia.
2 In our program we're seeing a retention rate where we're
3 keeping these quality teachers, that is an issue in Southside
4 and Southwest Virginia. We get some great teachers but we
5 don't keep them there long in some of these areas. In our
6 program, the teachers we're working with, we're not seeing
7 them leave. They're liking this new rigorous training and
8 curriculum. We're putting in some new assets in these
9 programs. There's lots of programs that are supporting K-12
10 education but not many of them are putting in new tools in the
11 students hands to give them the science and math skills and
12 the experience they need to be able to go on and work for a
13 company like Rolls Royce needing high level skills. It's
14 important for you to understand that we are not just serving
15 an elite group of students and Advanced Placement has often
16 had that kind of connotation. We're working with all students
17 in these buildings. Since 2008, we have impacted about 7500
18 students across the Tobacco Commission alone. Over 400
19 teachers have received about 40 days of training. We're seeing
20 stronger math and science skills for students and we're seeing
21 higher critical thinking and problem solving, higher SAT
22 scores. We know through the data tracking that we will be
23 doing the Department of Education and the VEC that we're
24 going to see more students come out of high schools either
25 ready for advanced manufacturing jobs or ready for college.
26 Seventy-five percent of the students that go on to college have

1 to be remediated in math and science and that's the trend you
2 see and half of those students drop out of college altogether.
3 We're finding in our program and we've had data from other
4 states who have had a better tracking program than the state
5 of Virginia has at this point, more college credits earned for
6 freshmen that have been in the AP classes in high schools and
7 so forth. I want to make sure you understand we are a three-
8 year proposal initially. A three-year proposal would allow us to
9 make a three-year commitment. Understanding the limitations
10 of your budget right now, we're very much willing to back that
11 down to a one-year commitment. You probably will see you
12 have some money left over and that has not been spent but
13 that money will be spent by the end of next year, earlier than
14 the original grant period. We took more Tobacco Commission
15 schools than we originally planned. We will be using up the
16 rest of the money by the end of, committed money by the end
17 of next year. This new commitment, we're asking for a million
18 for a year would help us to start this program in twelve new
19 schools. What we would do is say to the schools the
20 commitment to you is contingent upon finding further funds
21 from various other sources. We have several sources we're
22 having conversations with right now including Alpha Natural
23 Resources in Southwest Virginia. And we've been invited to
24 participate in a proposal to them and also a couple of
25 foundations. We're basically dropping our request from \$3
26 million over a three year period to \$1 million over a one-year

1 period of time.

2 SENATOR RUFF: Once you get into the
3 schools, what is the cost per year after that?

4 MS. STEVENS: The cost of the program
5 depends on that school's ability to increase enrollment and it
6 also depends on where they were before we get started. Many
7 of the schools in the Tobacco Commission region, they had no
8 AP program before we started with them. The first ten schools
9 we started with –

10 SENATOR RUFF: What did it cost to
11 maintain that program in those schools?

12 MS. STEVENS: Anywhere from fifty to a
13 hundred thousand dollars depending on the size of the school.

14 SENATOR RUFF: What's the cost to start
15 the program?

16 MS. STEVENS: Closer to \$100,000 to
17 start the program because we need equipment we often don't
18 have.

19 MS. THOMAS: When you talk about AP
20 classes and dual enrollment classes, how do you address it or
21 what's the advantage of going more toward the AP program
22 rather than working with the community colleges that we're
23 already heavily funding the scholarship programs?

24 MS. STEVENS: There's two things, I
25 think. We came into this knowing that we could compete or
26 work together and we work very hard to make sure we have

1 strong ongoing programs that were supporting the students
2 whether they're pursuing AP or dual enrollment. The way we
3 do that is that the AP and dual enrollment are being taught in
4 the same classroom right now. In most cases the curriculum
5 is the same and not much difference between the dual
6 enrollment calculus class and the AP calculus class.
7 Sometime the AP class might be a little bit more rigorous and a
8 little bit faster. We have found that our teachers are able to
9 accomplish the goals of both the AP curriculum as well as dual
10 enrollment. The students are still getting the same amount of
11 credit but on their transcripts they're able to show that they're
12 getting the most rigorous curriculum, most colleges believe
13 that to be the AP. The other piece of that is that the statistic
14 that I gave you, we talked about 75% of the students don't
15 have what they need as far as math and science that includes
16 those that are dual enrollment classes in high school. We're
17 seeing in some places the dual enrollment, the dual enrollment
18 preparation for some of these students has not been rigorous
19 enough to get them past the classes that they need in the
20 colleges. Having the AP is bringing that rigor to a higher level
21 and affording the critical thinking and problem solving, all
22 those pieces that are so important.

23 MS. THOMAS: Do you have the statistics
24 that shows that the AP better prepares the students?

25 MS. STEVENS: It depends on what
26 statistics you're looking for, for better prepared. There's lots of

1 studies out there and they haven't been done in Virginia.

2 MS. THOMAS: To say the AP is better
3 prepared than dual enrollment –

4 MS. STEVENS: We don't say that. We're
5 hearing from some of the four-year colleges.

6 MS. THOMAS: So I misunderstood.

7 MS. STEVENS: We're not saying that but
8 what we are saying is that going into schools and supporting
9 both programs. Most dual enrollment programs do not provide
10 training for teachers that are teaching the dual enrollment at
11 the high school level. Most of the dual enrollment programs
12 are not providing a lot of extra equipment and materials in the
13 classrooms. So we believe that not only are you investing in
14 building an AP program at the school, we're supporting the
15 dual enrollment programs because we're putting in equipment
16 in the same classrooms supporting the teachers that way.

17 SENATOR RUFF: That completes the
18 presentation. The Chair will listen to any motions, even a
19 motion to adjourn. (Laughter.)

20 SENATOR PUCKETT: Mr. Chairman, I
21 direct you to the Emory and Henry proposal. The staff
22 recommends \$370,000 plus an additional \$250,000, which
23 would make a total of \$620,000.

24 DELEGATE JOHNSON: I'll second that
25 motion.

26 MR. NOYES: Are we doing them

1 individually?

2 SENATOR RUFF: I think we need to look
3 at them all at one time rather than –

4 DELEGATE JOHNSON: Mr. Chairman,
5 will we meet again before another –

6 MR. STEPHENSON: It's likely that we will
7 have to meet before January and especially with some of the
8 scholarship issues that we're contemplating and do that before
9 January, so I think yes.

10 DELEGATE JOHNSON: We have another
11 opportunity to submit requests before the next budget is
12 prepared?

13 MR. STEPHENSON: That has not been
14 announced by the Chair.

15 SENATOR RUFF: The question is will we
16 have enough money? That may be a deciding factor.

17 DELEGATE JOHNSON: That's my
18 question. If we don't have another meeting, we're not going to
19 get any more money after today then I think it would be wise to
20 spend the surplus then if we're not going to get any more.
21 When we talk about education, I don't think we should leave
22 the table leaving money on the table when we have so many
23 programs and projects. I think we should spend the money
24 then.

25 SENATOR RUFF: When we get into
26 general requests, well, we'll see. Now, you're talking about a

1 negotiated figure on the Emory and Henry one, 2392. The next
2 one down the line, Longwood, that is tabled. The next one
3 down the line is New River which is proposed at \$70,000. The
4 next one down the line is South Central, which was not –

5 DELEGATE MERRICKS: I'd like to make
6 a motion that we fund half of that request. This is located in a
7 very poor area of the county and serves people who really don't
8 have any other resources to go to and serving clientele that
9 really when you get up to this LPN level, there's several nursing
10 facilities there providing opportunities. I think it's more of a
11 scholarship program than an ongoing operation and I would
12 hope that we could fund some of this money that would help
13 get those students into those programs. I'd move that we fund
14 \$107,550.

15 MS. BARTS: Second.

16 SENATOR RUFF: There's a motion and a
17 second. Southern Virginia Higher Ed Center, the proposal was
18 2336, staff has proposed \$231,000. The Chairman would
19 negotiate seventy which would bring it up to \$301,000.

20 MR. HAMLET: Mr. Chairman, I propose
21 we fund that at \$301,000.

22 SENATOR RUFF: Is there a second?

23 MS. BARTS: Second.

24 SENATOR RUFF: Now we're down to
25 Study Strategies.

26 MS. BARTS: I'd like to make a motion

1 that we fund that for \$1 million. It seems to be a proven
2 success.

3 SENATOR RUFF: Is there a second for
4 that? Let's see if we get too close to the numbers –

5 MR. PFOHL: That would put us, that's a
6 little over \$2 million addition to the recommendations. The
7 ones that you've just had out of the block that would be, that
8 would take another \$2 million or so.

9 MR. NOYES: We're looking for the bottom
10 line number, \$690,000 remaining balance, two projects where
11 the recommendation has been to table the staff can work with
12 them, University of Virginia at Wise and Longwood.

13 SENATOR RUFF: Sarah, are you sure
14 you've got the numbers right?

15 MS. CAPP: Yes.

16 SENATOR RUFF: You've heard the
17 various motions including the tabling of two that the staff
18 would like to work on. We'll revisit in January whenever we
19 have our meeting on the four-year scholarship program.
20 Anyone have any more thoughts before we take a vote?

21 MS. DIYORIO: Is there, what is the
22 \$70,000 –

23 MR. PFOHL: There's no motion to change
24 that.

25 MR. REYNOLDS: Mr. Chairman, 2405,
26 Southwest Workforce Training if we fund that at \$200,000 –

1 SENATOR RUFF: We had that motion
2 and you remember that, they were going to work on the global
3 or the whole region in the footprint region there was to be a
4 study of what was necessary. Is there a second to the motion?
5 I'm not hearing a second. Let me go over these again. Emory
6 and Henry, \$620,000, South Central AHEC, \$102,550, I'm
7 sorry, \$107,550, Southern Virginia Higher Ed Center,
8 \$301,400, and Virginia Strategies, \$1 million. Those are
9 before us. Any further discussion? All in favor say aye.
10 (Ayes.) Opposed?

11 MS. THOMAS: No.

12 SENATOR RUFF: Do you want those
13 separated?

14 MS. THOMAS: We can vote on the block
15 but I do support Emory and Henry.

16 SENATOR RUFF: You want to support
17 that one but not the others?

18 MS. THOMAS: Yes.

19 SENATOR RUFF: That will leave us with
20 four on the table to discuss in January as well as the policy
21 that we're going to have for the four-year scholarships. That
22 takes care of those proposals. Southwest Higher Ed Center.

23 MR. PFOHL: In 2007, this Committee
24 awarded a \$1.4 million grant to Southwest Virginia Higher
25 Education Center for expansion of that facility. There's a
26 \$305,000 unused balance after the University of Virginia did

1 all of the accounting with the various grants funding sources.
2 The director of the Higher Ed Center Dr. Fowlkes is here today
3 to ask your permission to use that \$305,000 balance and
4 change on replacement of a large moving curtain wall that is
5 used to separate their banquet hall.

6 MS. DIYORIO: I move we approve this.

7 DELEGATE JOHNSON: Second.

8 SENATOR RUFF: All those in favor say
9 aye. (Ayes.) Opposed? (No response.) Any public comment?
10 If you haven't had a chance to speak you're welcome to speak
11 now. We'll stay here as long as you all want to talk. If not,
12 we're adjourned.

13

14 PROCEEDINGS CONCLUDED.

15

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18

19 CERTIFICATE OF THE COURT REPORTER

20

21 I, Medford W. Howard, Registered Professional
22 Reporter and Notary Public for the State of Virginia at large, do
23 hereby certify that I was the court reporter who took down and
24 transcribed the proceedings of the **Education Committee of**
25 **the Virginia Tobacco Indemnification and Community**
26 **Revitalization Commission when held on Thursday,**

1 **September 22, 2011 at 1:30 p.m. at The Hotel Roanoke,**
2 **Roanoke Conference Center in Roanoke, Virginia.**

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

6 Given under my hand this 20th day of October,
7 2011.

8

9

10

11

Medford W. Howard

12

Registered Professional Reporter

13

Notary Public for the State of Virginia at Large

14

15 My Commission Expires: October 31, 2012.

16 Notary Registration Number: 224566