

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

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

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9 **Education Committee Meeting**

10 Wednesday, May 22, 2013

11 2:00 P.M.

12
13 R. T. Arnold Library
14 South Hill, Virginia

1 **APPEARANCES:**

2 The Honorable Frank M. Ruff, Chairman

3 Ms. Linda P. DiYorio, Vice Chairman

4 Ms. Gayle F. Barts

5 Mr. Burgess “Butch” H. Hamlet, III

6 Mr. Scott M. Harwood, Sr.

7 The Honorable Joseph P. Johnson, Jr.

8 The Honorable Donald W. Merricks

9 Mr. Kenneth O. Reynolds

10 Ms. Cindy M. Thomas

11 Mr. Gary D. Walker

12 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 S. Pfohl – Grants Program Administration

18 Director

19 Ms. Sara G. Williams – Grants Program Administrator,

20 Southwest Virginia

21 Ms. Sarah K. Capps – Grants Program Administrator,

22 Southside Virginia

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1 SENATOR RUFF: Good afternoon,
2 welcome to South Hill and to the Education Committee
3 Meeting. I'll ask Neal to call the roll.

4 MR. NOYES: Ms. Barts?

5 MS. BARTS: Here.

6 MR. NOYES: Ms. DiYorio?

7 MS. DIYORIO: Here.

8 MR. NOYES: Mr. Harwood?

9 MR. HARWOOD: Here.

10 MR. NOYES: Mr. Hamlett?

11 MR. HAMLETT: Here.

12 MR. NOYES: Delegate Johnson?

13 DELEGATE JOHNSON: Here.

14 MR. NOYES: Delegate Merricks?

15 DELEGATE MERRICKS: Here.

16 MR. NOYES: Mr. Reynolds?

17 MR. REYNOLDS: Here.

18 MR. NOYES: Senator Ruff?

19 SENATOR RUFF: Here.

20 MR. NOYES: Senator Stanley?

21 SENATOR STANLEY: (No response.)

22 MR. NOYES: Ms. Thomas?

23 MS. THOMAS: Here.

24 MR. NOYES: Mr. Walker?

25 MR. WALKER: Here.

1 MR. NOYES: Delegate Wright?

2 DELEGATE WRIGHT: Here.

3 MR. NOYES: You have a quorum, Mr.
4 Chairman.

5 SENATOR RUFF: Thank you, Neal. We
6 have the minutes from the April 10th, 2013 meeting.

7 DELEGATE JOHNSON: I so move we
8 accept them.

9 SENATOR RUFF: I have a motion and I
10 have a second. Any discussion? All those in favor say aye.
11 (Ayes.) Opposed? (No response.) The minutes are approved.
12 I think you all have the email that was sent out on the
13 Education Committee and what we're going to do today. So I'll
14 turn it over to Tim.

15 MR. PFOHL: The Commission
16 announced on February 28th the application due date for the
17 FY13 Education Competitive Committee recommendations.
18 And we had 27 proposals. The Committee met again on April
19 10th and adopted new requirements for the proposals like a
20 dollar for dollar matching funds. We alerted all the
21 applicants. The Committee also tabled all of the advance
22 manufacturing proposals. Those are shown at the back of the
23 report in Appendix A.

24 That leaves eighteen proposals that are
25 non advance manufacturing. The applicants revised some

1 proposals because of the new requirements adopted in April.
2 You'll see on the cover page where Averett asked for \$484,000
3 and they cut their proposal to \$234,000 so that's an adjusted
4 amount. We tried to capture the information that the
5 applicant provided in response to the new requirements the
6 staff reported. So, Mr. Chairman, do you want me to start
7 walking through the ones that were recommended?

8 SENATOR RUFF: Yes, at some point if
9 anybody wants to pull something out of the block, please say
10 so.

11 DELEGATE JOHNSON: Mr. Chairman, I
12 would respectfully move that 2709 be removed from the block
13 and at an appropriate time I'd make a motion that it be
14 adopted \$170,000.

15 MR. PFOHL: The last comment for
16 introductory purposes, Sara and Sarah and their assistants
17 have had great success plowing back some unused financial
18 money from previous years as well as closing out some other
19 Education projects that gave us about a half million dollars of
20 that \$3.56 million balance that's available. The staff
21 recommended thirteen projects at \$2.1 million and I'll start
22 with Averett. Their Telehealth Education Program revised and
23 the requested amount was \$234,731 to buy digital cameras
24 and servers and so forth for their nursing program and
25 nursing students. The staff is recommending on this one for

1 consistency with some of the other proposals and
2 recommendations as well as a bit of a policy issue, we provide
3 50% of the cost to purchase and install what's been requested
4 there. Averett has talked about some faculty and staff
5 positions that require a dollar for dollar match versus folks
6 that are already on board and the organization has a
7 compelling match. The staff's recommendation is \$142,365.

8 Bluefield College School of Dental
9 Medicine Curriculum and Accreditation Development. This is
10 in partnership with Tazewell County to establish a private
11 non-profit school in dental medicine. Commission funds
12 would be used to hire a dean and we understand that person
13 has been selected. The proposal is a request for one year
14 contractual services to develop a curriculum and seek
15 accreditation. The proposal is matched dollar for dollar by the
16 Tazewell County IDA. In response to the new Education
17 funding requirements, three funding commitments totaling \$5
18 million and half of the anticipated construction costs. The
19 dean has been selected and the staff of five are now employed
20 by the college and the staff is recommending an award of
21 \$150,000.

22 SENATOR RUFF: Did they indicate
23 where the balance of the money is going to come from?

24 MR. PFOHL: In the remaining \$5 million
25 of construction, they've indicated they're going to pursue some

1 other resources.

2 UNIDENTIFIED: I'm vice president and
3 we plan to seek funds from other foundations and
4 corporations across the state. We've done that before coming
5 to the Commission. So we're seeking funds without the help
6 of the Commission and for other requirements.

7 SENATOR RUFF: If we were to say we
8 were going to give you zero would you still pursue this?

9 UNIDENTIFIED: Yes.

10 SENATOR RUFF: Thank you.

11 MR. PFOHL: The next project is Central
12 Virginia Community College Educational Foundation
13 requesting radiology equipment for their existing program.
14 The request was revised and cut in half and seeking fifty
15 percent of the equipment costs. It should be noted there will
16 not be new students because they're already enrolled in the
17 math and science courses by the national certified body.
18 They're requesting equipment used by other radiologic
19 practices in Central Virginia. Staff is recommending an award
20 of \$23,471.

21 The Community Foundation of the Dan
22 River Region their Southern Virginia Work Ready proposal is
23 seeking funds to provide 2400 national career readiness
24 certificates and get the region certified as a work ready
25 community in Virginia and the first region. That does not

1 include the entire state designated that. The career readiness
2 certificates deal with testing of applied mathematics and
3 reading comprehension and locating information. The RRC
4 the applicant has convened the first four sectors including
5 manufacturing, energy and they have strong support by some
6 companies in the region, which is four counties and two cities
7 in southern Virginia. Staff is recommending an award of
8 \$142,200.

9 The Worship Center has a request which
10 is down to \$51,119 and now is focused on providing the
11 Virginia DOE Capstone Math class and actually preparing
12 folks for math courses. The matching funds are entirely in
13 kind and future funding sustainability is raised from private
14 sources. The issue here is that it is anticipated that the self
15 committee credentials and not a nationally authorized
16 credentials to be granted to these students in a project or
17 when they complete the three month program. The staff
18 would point out this could be a precedent setting providing
19 funds for high school students and for funding non-profit
20 church based and community center site already served by
21 Southern Virginia Education Center in Emporia and
22 Greenville, which was built with substantial investment from
23 the Commission. So staff is recommending no award.

24 Emory & Henry College is seeking
25 \$300,000 to hire a dean to develop a school of health sciences.

1 In recent years we have funded for Emory & Henry a doctor of
2 physical therapy program there. Commission funding would
3 cover salary and other costs for three years with match by
4 Smyth County partners. The dean will be preparing for
5 accreditation. This project anticipates the acquisition and
6 they're taking on a \$20 million renovation project. This is
7 another one that falls in the category of a multi-million dollar
8 construction costs at some point down the road. Yesterday a
9 five million dollar request was approved by the state for
10 construction. The college has told us that they're looking to
11 Appalachian Regional funding. The college told us they intend
12 to apply to the Appalachian Regional Commission for funding
13 and they've had conversations with USDA Rural Development
14 for a loan package of essentially \$18 million for renovation of
15 the former hospital. Staff is recommending an award of
16 \$300,000.

17 SENATOR RUFF: I'll ask the same
18 question I asked before. If the Tobacco Commission were to
19 say zero, would you all still move forward? What will you be
20 teaching in that program?

21 MS. REICHARD: Physical therapy is part
22 of it and occupational therapy, possibly speech pathology.

23 MR. PFOHL: The next one is Franklin
24 Center Southside Virginia Race to GED Project. Your
25 Committee supported this with a grant of \$75,000 last year.

1 SENATOR RUFF: I'm going to ask you to
2 pull all of the GED projects out of the block, we'll deal with
3 those together.

4 MR. PFOHL: There's two GED projects.
5 Then let's jump over to the Hampden-Sydney College Plan for
6 the Sciences at Hampden-Sydney College requesting
7 \$250,000. Design work and fundraising and presentation
8 materials that will help the college raise funds to renovate and
9 expand which is the current science facility, which was built
10 in 1968. The plan is that there'd be an expansion to increase
11 the size of the building about fifty percent. It's indicated that
12 a 60,000 square foot building could be added on by about
13 30,000 square feet. It's potentially a \$29-36 million project.
14 The college has told us they've already met with a donor
15 seeking a \$20 million contribution. Apparently this is an
16 individual that has strongly supported the college in the past
17 and there's representatives here today to speak to that if you
18 want to hear or ask any questions. There's going to be
19 fundraising for the balance of the required matching funds
20 and project costs. Staff is recommending an award of
21 \$250,000 contingent on demonstration of equal matching
22 funds.

23 SENATOR RUFF: I'll ask you also, are
24 you doing to do this and got zero in the future, would you go
25 forward?

1 MR. KING: I'm Lee King, Vice President
2 at Hampden-Sydney. We did tell the staff we wouldn't come
3 back to the Tobacco Commission for further funding for the
4 project.

5 MR. PFOHL: Patrick Henry Community
6 College Foundation revised their request to \$305,000 to
7 renovate at the lab and science space at West Hall, where
8 there's currently two labs that are several decades old where
9 things like propane gas air systems are involved. They were
10 planning not to renovate those but actually build a new lab on
11 the third floor of West Hall. The foundation has indicated to
12 us that 1200 Patrick Henry graduates for the past three
13 school years have taken classes and this is a very popular
14 program and the staff is recommending an award of \$305,000.

15 The next one is the Russell County Public
16 Schools, which is the second GED project. I'll move to
17 Southside Virginia Community College Foundation Technical
18 Training for Southside's Workforce requesting \$72,381.
19 Originally they wanted a proposal for \$472,000 with four
20 elements. Some of those have been tabled. The fourth
21 element, which is HVAC is what is before you today requesting
22 \$72,381 to purchase simulation equipment. This program
23 uses nationally certified curriculum. HVAC technicians are
24 hard to find and in demand in the southern Virginia area.
25 Staff is recommending that award of \$72,381 contingent on an

1 proposal 2710 and this is somewhat similar and this will train
2 people across the region in hospitals and clinical labs and so
3 forth. Clinical lab technicians and medical lab technicians
4 and medical lab specialists, starting salaries for these types of
5 positions is around \$35,000 and can go up to \$125,000.
6 Currently there is no clinical lab programs offered in the
7 Tobacco Region but this will be a two plus two model. Initially
8 the anticipate twenty students. This was a proposal where we
9 had several questions about the commitment of VCU, which is
10 the partner to provide the training source of matching funds
11 and so forth. If you recall on April 10th the Committee also
12 said that any applicant that submits multiple requests to list a
13 priority and the Higher Ed Center hopes to pursue both of
14 these projects. It appeared to us we got a little more bang for
15 our buck in the dual enrollment plans. Staff is suggesting no
16 award. We'd point out the concept does have enough merit to
17 suggest to resubmit in a future funding cycle. If there is a
18 strong demand for students and commitments from university
19 partners and consideration of expansion to additional sites
20 that can serve the Tobacco Region.

21 Virginia Foundation for Community
22 College Education submitted a proposal last summer to
23 Special Projects and that was deferred over to the Education
24 Committee and that's why it's here today. Through
25 conversations with the chancellor and the Tobacco

1 Commission leadership, this idea has emerged of providing
2 incentives of \$1,000 each to 350 citizens and the service
3 centers and the community colleges that have completed GED
4 and want to enroll immediately into the community college.
5 This is an incentive to not have the GED graduates think
6 about the finish line they have achieved and get them enrolled
7 in the community colleges. Staff's had some conversation
8 about this over the last year with applicants. The applicant
9 has suggested they will target students that have expressed
10 an interest in the STEM-H program and careers. Your staff is
11 also suggesting that other training programs that students are
12 not eligible for financially are not eligible for community
13 college financial aid or federal financial aid but do have a
14 relatively quick turnaround where within a matter of weeks or
15 a couple of months students could be ready for employment
16 and things like truck driver training, construction trades and
17 so forth and that would fill a gap for students currently eligible
18 for other financial aid. Future funding will be addressed
19 within the community college system Rural Horseshoe
20 Initiative that has an announced goal of raising \$21 million in
21 the next decade. Staff is recommending an award of \$364,000
22 contingent on demonstration of committed dollar for dollar
23 matching funds.

24 SENATOR RUFF: The folks that have
25 gotten the GEDs, what percentage of them in the community

1 college system qualify for other funds, federal or what?

2 MR. PFOHL: That's something I couldn't
3 answer off the top of my head.

4 MS. SMITH: I'm Catherine Smith and the
5 Foundation of Community Colleges. I can give you those
6 percentages and I'd be glad to get them for you. What we're
7 proposing here that's different is that this would be first dollar
8 money rather than last dollar money. In other words, these
9 one thousand dollar incentives would be given immediately to
10 those that completed a GED so they don't have to comply with
11 the normal process. In many cases there may a year's delay
12 because most colleges have a March 15th deadline. If these
13 students are forced to wait, they lose momentum and they
14 lose motivation and they abandon their educational plan. So
15 we're trying to get them in right away. We're also trying to pay
16 for things that are not covered by regular financial aid such as
17 books, fees, equipment, steel toed boots, hard hats,
18 background checks, that kind of thing. I can get for you if
19 you'd like the percentages you're asking for. This is coming at
20 it from a slightly different direction.

21 SENATOR RUFF: I would say you're
22 coming from an entirely different understanding if I heard
23 what Tim said. I thought he was saying and Tim, correct me if
24 I'm wrong, you were saying federal dollars would have to be
25 tapped first.

1 MR. PFOHL: In their proposal they said
2 they're asking for this to be considered first dollar. What I was
3 trying to say is that we have suggested that for those students
4 that are not eligible for federal financial aid because the type
5 of program they're taking, this would be a good solution for
6 those students that otherwise wouldn't be eligible.

7 MS. SMITH: This would also cover part-
8 time students, which would not be funded by the other aid.

9 SENATOR RUFF: Does a part time
10 student qualify for the same dollars that a full time student
11 would?

12 MS. SMITH: No.

13 SENATOR RUFF: Is it pro-rated and
14 based on price?

15 MS. SMITH: This is based on the Patrick
16 County model that's so successful and some of you probably
17 are familiar with Patrick County Education Foundation that
18 Jerry Baliles began ten years ago and that Baliles is a former
19 governor of Virginia. This is one of the three schools that led
20 the schools so to speak. In ten years that county moved from
21 one of the lowest performing counties in the state to among
22 the top five rural counties in the state and there's a precedent
23 here. We have good data to show how successful this can be.

24 MR. WALKER: Mr. Chairman, I'd like for
25 this to be pulled from the block.

1 DELEGATE WRIGHT: Mr. Chairman, I've
2 got a couple of questions. It says this is for the first two years,
3 what happens after that?

4 MS. SMITH: This is going to become part
5 of the rural Virginia Horseshoe Initiative. The board and the
6 steering committee for that initiative approved the fundraising
7 plan to raise \$21 million over ten years, this would be plugged
8 into that.

9 DELEGATE WRIGHT: Which community
10 projects are included in this?

11 MS. SMITH: There's seven southside,
12 Danville, Patrick Henry, Wytheville, Virginia Highlands,
13 Southwest and Mountain Empire.

14 MS. THOMAS: It says you're going to
15 help fifty students at seven colleges.

16 MS. SMITH: Yes.

17 MS. THOMAS: What's the other money
18 for?

19 MS. SMITH: It's fifty times seven,
20 \$350,000, \$14,000 for marketing and outreach and
21 recruitment. This is a population that does not generally
22 engage higher education. It's going to take some very
23 aggressive recruitment efforts to get people into the GED
24 program and into the community colleges.

25 MS. THOMAS: They get these funds just

1 for enrolling?

2 MS. SMITH: Yes.

3 MS. THOMAS: Suppose they drop out?

4 MS. SMITH: Then the money has to be
5 refunded.

6 MS. THOMAS: How do you all collect
7 that money?

8 MS. SMITH: That would be up to the
9 individual colleges. There will be an oversight committee that
10 will develop all of the criteria and the guidelines and each
11 college would then be responsible for monitoring the progress
12 of the students.

13 MR. PFOHL: The next proposal is from
14 the Virginia Museum of Natural History Foundation. They
15 have revised their request to \$66,395. They're proposing for
16 the summer 2014 to conduct STEM-H professional
17 development institute, which involves fifty middle school
18 science and math and technology teachers from the Tobacco
19 Region. VHSHE is conducting similar summer institutes for
20 elementary teachers. There's a new element for the middle
21 school STEM teachers and teachers would receive
22 recertification points and half are expected to apply for
23 graduate credits, too. They have revised their proposal so now
24 that the participants are sharing half of the costs with Tobacco
25 Commission funds. So participants have a vested interest in

1 completing the program. There are additional matching funds
2 that are provided in kind and the foundation has provided the
3 required match. How they would fund the program after this
4 one initial year, the foundation said they would keep
5 Department of Education money, assistance from local school
6 districts. Staff is suggesting an award of \$66,395 for a one-
7 time demonstration grant to establish this new program to
8 assist teachers working in the Tobacco Region.

9 DELEGATE WRIGHT: Mr. Chairman, I
10 noticed in the staff comments it says that these summer
11 institutes are already established and helping elementary
12 teachers. How does this differ from what's currently being
13 done?

14 MR. PFOHL: I mentioned they had used
15 Virginia DOE money, participants paid for a portion. Beyond
16 that, I'd ask if anyone's here who wishes to speak to it.

17 MR. KEIPER: Good afternoon, Joe
18 Keiper, Director of Virginia Museum of Natural History and
19 I've brought with me Dr. Casey, our Director of Education and
20 Public Programs, who runs this program. Would you repeat
21 the question?

22 DELEGATE WRIGHT: My question was
23 you're requesting funds for high school teachers or middle
24 school, if they currently have a program that covers
25 elementary teachers and I wondered why you couldn't fund

1 the middle schools the same way you're funding the
2 elementary schools. Would you come back and ask us for
3 funds for elementary?

4 MR. KEIPER: We've had funding up until
5 this year. We do not have funding at this time.

6 DELEGATE WRIGHT: What will happen
7 to the elementary teachers?

8 MR. KEIPER: There's new registrants
9 every year so if we're not running the program we won't have
10 anyone registered in elementary school. It's the middle
11 school.

12 DELEGATE WRIGHT: If you don't have
13 money for elementary because it's been cut out, why would
14 you want us to continue this?

15 MR. KEIPER: For the reason that we
16 don't have funding any more to run the program for
17 elementary, we don't have funding to run the program for
18 middle either. They've been running this program for a long
19 time for the elementary school teachers and funded through
20 DOE, due to sequestration losing funding that was flowing to
21 us. In the meantime, the work with the middle school
22 teachers is a new initiative. We have not been targeting them
23 before and we see it is a critical need for the state including
24 the Tobacco Region. That's the reason we've come to the
25 Tobacco Commission. We're currently seeking through our

1 non-profit foundation ways in which we can fund both of these
2 programs throughout the state.

3 MS. THOMAS: Do I read this correctly
4 that the request would cover half the participants lodging?

5 MR. KEIPER: Yes, state parks.

6 MS. THOMAS: In addition to the
7 planning and the development of the website?

8 MR. KEIPER: That's correct.

9 MS. THOMAS: This is two weeks long?

10 MR. KEIPER: Yes.

11 MS. THOMAS: Who pays for the others?

12 MR. KEIPER: Up to the individual school
13 divisions to meet their needs. With this being a 2014 summer
14 program and with the funding cycle, we're currently seeking
15 further matching funds that we're hoping will come through
16 for 2014 and hopefully we could reduce the direct cost to the
17 teacher.

18 MS. THOMAS: Mr. Chairman, I'd like to
19 pull this one.

20 MR. PFOHL: The next request is the
21 Virginia Technical Institute for their repair program and they
22 revised the requested amount to \$424,000. They want to
23 purchase equipment and modify a building in Altavista, that's
24 the site of VTI to establish a diesel repair training facility.
25 This is a project well-supported with letters from employers in

1 the region and unfortunately they haven't been able to reach
2 the required dollar for dollar matching threshold. Therefore,
3 staff is recommending no award. We've been trying to work
4 with them, trying to identify some other funders so this project
5 might come back to you at some point in the future.

6 Virginia University of Lynchburg and the
7 revised amount is \$272,505 to establish a Student
8 Enhancement Learning Center. The Center as stated in the
9 applicant's summary educational support services and that
10 addresses what they learn and so forth. The campus is
11 located within the City of Lynchburg and accredited by Trans
12 National Association. This is the first time that this
13 historically black college has applied to the Tobacco
14 Commission. The funding requested is three years of
15 operational funding for faculty and staff, supplies, equipment
16 and scholarship to be shared equally by the Commission and
17 VUL to include computer equipment and furniture \$130,000,
18 faculty and staff time is nearly \$110,000. Supplemental
19 information provided to us refers to a teaching site in Danville
20 and Dinwiddie although the letter is physically located in the
21 City of Petersburg. Staff is unable to determine what activities
22 or expenses or outcomes are attributed to those two sites.
23 VUL has entered into an agreement with Liberty University in
24 which the students desiring to earn Bachelor's degrees would
25 be encouraged to continue their study at Liberty. In the

1 Commission's recent documentation, the Liberty Center for
2 Medical and Health Science appears to offer a pathway for
3 students to achieve these educational goals. However, the
4 staff is recommending no award.

5 Virginia Western Community College is
6 requesting \$49,665 to provide scholarship money to Franklin
7 County in Southside and Tobacco Region residents seeking
8 credentials to be Certified Nursing Assistance and medication
9 aides. Classes would be offered at the Franklin Center in
10 Rocky Mount and proposes to meet all the funding
11 requirements and now seeks funds to partially cover the costs
12 of training of participants. This is another one much like the
13 others in that the revisions now require that participants now
14 have vested interest in their education. It's a seven week
15 training program and provides students with education to
16 achieve in the range of \$12 to \$14 an hour entry level wages.
17 Future funding for the tuition assistance, staff is
18 recommending an award of \$49,665. Those are the two GED
19 proposals.

20 SENATOR RUFF: All right, taken from
21 the block, five projects have been removed from the block.

22 SENATOR WRIGHT: I probably should
23 have asked this question earlier but I've got a question that
24 pertains to 2676 Bluefield College and 2657. My question is
25 and that pertains to the last meeting we had. When I asked a

1 question about supposed funding like this started but don't
2 reach completion for whatever reason, does the Tobacco
3 Commission have any way of having those funds returned like
4 other projects? Are they required to pay the money back?
5 That's really my question. In the Bluefield College situation, it
6 says funds will be used to compensate, suppose we do this
7 and I feel sure these probably will go through, but shouldn't
8 the contractor proposal have some protection in the event that
9 these folks for whatever reason are not performing? In the
10 other one, it says the majority of the funds requested are to
11 pay teacher salaries through 2016. My question is, as I posed
12 it at the last meeting, we need to have any way of protecting
13 the Tobacco Commission funds in this regard that we do in
14 other proposals that we award? Those are my questions.

15 MR. NOYES: Is there some provision for
16 claw back, that's the question and the answer is there is not.
17 As far as the second question is ought there be a matter that
18 this Committee can address that there is no claw back from
19 the program for when that program does not go forward under
20 our current policies.

21 DELEGATE WRIGHT: It's my
22 understanding that's reason that I brought it up at the last
23 meeting. That's the reason that I'm bringing it up now. Is it
24 possible for us to make the award saying yes we'll do it but the
25 money is taken, you have to follow the Tobacco Commission

1 guidelines or it will be paid back. How would we separate that
2 type of application from one to a locality in which they're
3 required to have a certain number of jobs for the amount of
4 money spent that if they don't, the Commission funds have to
5 be paid back. I think we need to have something in the
6 proposal that would protect the Tobacco Commission.

7 SENATOR RUFF: I'm not sure we can
8 come up with some language today on the spot.

9 MR. NOYES: If I may suggest. What staff
10 might do is make a stab at preparing some language and then
11 with the application round that we entered in or these
12 applications that we expect in July then maybe at the time the
13 Committee meets we can consider that and address that
14 language because you'd have to put a timeframe on it. Three
15 years is a typical timeframe for performance that we have in
16 other programs. If something isn't done within three years, we
17 can require that it comes back. I haven't worked it out yet
18 and this is the sort of thing that I'd like to do with Tim and
19 Sara and then get back to you.

20 MR. WALKER: Performance you're
21 speaking about?

22 MR. NOYES: Yes, performance. And
23 actually, we can do it. Your question is do we know what's
24 going on five years later or ten years later and we may or may
25 not.

1 DELEGATE WRIGHT: It appears we can't
2 solve it today. I'd ask the staff to work on this to remedy the
3 situation in the future.

4 SENATOR RUFF: We'll pull those two out
5 if there's consent to have the staff work on this to give us
6 some direction. Now, is there a motion to deal with the block
7 or all of those except for 2657, 2676, 2679, 2670, 2710, 2503
8 and 2675? All right, it's been moved and seconded.

9 DELEGATE JOHNSON: Before we do
10 that, could I ask that you list the ones that we are voting on?

11 SENATOR RUFF: 2668, 2667, 2669,
12 2664, 2659, 2660, 2665, 2627, 2609, 2655, 2680, 2662.

13 DELEGATE JOHNSON: Why are we not
14 including 2657.

15 MR. NOYES: 2657 is removed.

16 DELEGATE JOHNSON: Then you're
17 tabling 2609, which is not in the block?

18 MR. NOYES: That's correct.

19 SENATOR RUFF: Any further discussion
20 on the motion? All those in favor say aye. (Ayes.) Opposed?
21 (No response.)

22 DELEGATE JOHNSON: I move that we
23 recommend to the full Committee 2709 and 2657.

24 SENATOR RUFF: Let's take them
25 separately.

1 DELEGATE JOHNSON: That's fine. I'll
2 withdraw my motion.

3 SENATOR RUFF: The first one is 2676,
4 Bluefield College. You heard the description earlier and you've
5 heard from staff and the agreement they would work out in
6 the future plan to follow up on the agreement. Do you want to
7 add anything?

8 DELEGATE WRIGHT: The only think I
9 would say, I don't think that the Tobacco Commission, I
10 wouldn't want something to fall through the cracks and I just
11 wanted to call that out. And I think it's a very good proposal
12 and program but my concern is that the money would be
13 spent on administrative costs and if it doesn't work out the
14 Tobacco Commission would stand to lose and that's the
15 reason I was concerned.

16 DELEGATE MERRICKS: I move we
17 accept the staff's recommendation.

18 SENATOR RUFF: 2676, has been moved
19 and seconded that we approve. All in favor say aye. (Ayes.)
20 Opposed? (No.)

21 SENATOR RUFF: Let's have a roll call
22 vote on 2676.

23 MS. THOMAS: What's the motion?

24 SENATOR RUFF: The motion is to
25 recommend to the full Commission 2676.

1 MR. NOYES: Ms. Barts?
2 MS. BARTS: Yes.
3 MR. NOYES: Ms. DiYorio?
4 MS. DIYORIO: No.
5 MR. NOYES: Mr. Hamlett?
6 MR. HAMLETT: Yes.
7 MR. NOYES: Mr. Harwood?
8 MR. HARWOOD: Yes.
9 MR. NOYES: Delegate Johnson?
10 DELEGATE JOHNSON: This is to
11 approve 2676, yes.
12 MR. NOYES: Delegate Merricks?
13 DELEGATE MERRICKS: Yes.
14 MR. NOYES: Mr. Reynolds?
15 MR. REYNOLDS: Yes.
16 MR. NOYES: Senator Ruff?
17 SENATOR RUFF: Yes.
18 MR. NOYES: Senator Stanley is not with
19 us. Ms. Thomas?
20 MS. THOMAS: No.
21 MR. NOYES: Mr. Walker?
22 MR. WALKER: No.
23 MR. NOYES: Delegate Wright?
24 DELEGATE WRIGHT: No.
25 MR. NOYES: Six votes in favor, five votes

1 no, motion carries and approved 2676 in favor of Bluefield
2 College.

3 SENATOR RUFF: We'll move to 2657.

4 DELEGATE JOHNSON: I move that we
5 approve and recommend to the full Commission 2657.

6 SENATOR RUFF: Properly moved and
7 seconded, any further discussion? All those in favor say aye.
8 (Ayes.) Opposed? (No.)

9 MR. NOYES: Let's do another roll call
10 vote. Ms. Barts?

11 MS. BARTS: Yes.

12 MR. NOYES: Ms. DiYorio?

13 MS. DIYORIO: Yes.

14 MR. NOYES: Mr. Hamlett?

15 MR. HAMLETT: Yes.

16 MR. NOYES: Delegate Johnson?

17 DELEGATE JOHNSON: Yes.

18 MR. NOYES: Delegate Merricks?

19 DELEGATE MERRICKS: Yes.

20 MR. NOYES: Mr. Reynolds?

21 MR. REYNOLDS: Yes.

22 MR. NOYES: Senator Ruff?

23 SENATOR RUFF: Yes.

24 MR. NOYES: Ms. Thomas?

25 MS. THOMAS: No.

1 MR. NOYES: Mr. Walker?

2 MR. WALKER: No.

3 MR. NOYES: Delegate Wright?

4 DELEGATE WRIGHT: No.

5 MR. NOYES: Mr. Harwood?

6 MR. HARWOOD: Yes.

7 MR. NOYES: The motion carries in favor
8 of 2657.

9 SENATOR RUFF: The next one is 2679,
10 the Franklin Center of Southside Virginia.

11 MR. PFOHL: On page eight of the staff
12 report, your Committee initiated the partnership for the
13 Franklin Center for Advanced Learning in Southside Virginia
14 Community College in thirteen counties with a \$75,000 grant
15 last year and that's yielded already 182 GEDs and the goal
16 with another \$75,000 is 300 additional GEDs. The national
17 GED testing platform will change in 2014 and it will be
18 completely online testing and the costs will rise. The goal is to
19 get people into the program and GED credentialed by the end
20 of 2013. Staff is supporting this request for \$75,000 to get
21 people through and adjust to the new testing.

22 SENATOR RUFF: Do we have anybody
23 here? John, I know that your contract with some of the
24 counties in this region is to do this GED work, is that correct?

25 DR. GAVIN: Yes.

1 SENATOR RUFF: How are you
2 compensated?

3 DR. GAVIN: We have GED money and we
4 run the GED program.

5 SENATOR RUFF: The county gets what
6 kind of money for the GED program?

7 DR. GAVIN: I'm not sure of the exact
8 amount.

9 SENATOR RUFF: Does anybody know
10 whether it's based on the number of students?

11 MS. HODGES: I'm Cathy Hodges and I'm
12 with the Franklin Center in Rocky Mount. Currently, state
13 funding only serves three percent of the targeted population
14 for folks that need a high school or GED diploma. First off,
15 we're underfunded. Secondly, the money that is funneled
16 through the school system goes for instruction. There's no
17 money allocated in that grant from the adult education
18 department to counter test and that's the challenge that we
19 get with folks being able to cover the test fee and that's the
20 problem. Fifty-eight dollars may not sound like a lot to a lot of
21 people but I was brought back to reality yesterday in the
22 convenience market and the lady in front of me bought \$3
23 worth of gas. Most of us don't do that, if we need gas we put
24 that in the lawn mower. Having said that, the underemployed
25 and unemployed can't come up with \$58 for the test fee. The

1 money that's funneled from the Department of Education
2 through the public school systems predominantly fund
3 instructors and textbooks. This year we've had 180 GEDs
4 that we've had over 1400 individual tests pass. There's five
5 tests that need to be passed to obtain a GED. We've had over
6 1400 individual tests passed and there's five different tests
7 that have to be passed to obtain the GED certification. They
8 are pushing people to finish between now and the end of
9 December due to the fact that the test is changing. I don't
10 think you'll find a greater return on investment that's been
11 funded by the Tobacco Commission than what we've seen in
12 our pilot project. It's been very successful. I wish you could
13 meet some of the people you've helped that your funds have
14 made it possible to test them. We've seen a ten percent
15 improvement overall for the last ten years in terms of getting
16 rid of the rates of illiteracy. At one point we were 42% and
17 now we're around 30% range in terms of people getting a GED
18 or high school diploma. We know that has an impact on
19 workforce training and helping people get on a career path so
20 that they can continue to deal with their education and to
21 attract new businesses and economic development nothing
22 carries a greater weight than a steady investment of trained
23 people in your workforce in this respect.

24 SENATOR RUFF: You've made a
25 passionate statement and I appreciate that. I would ask do

1 you have any data showing employment changes due to the
2 GED? Has anybody volunteered to you that information? In
3 other words, do they have jobs?

4 MR. PFOHL: We've got letters from
5 employers saying they are looking for people that have the
6 GED.

7 SENATOR RUFF: Of the thousands that
8 we've done in the last decade, how many of those have
9 resulted in improved jobs, I guess that is my question.
10 Nobody has shown me the data. What I care about is are we
11 helping them get jobs? All right, I've said my piece. Is there a
12 motion?

13 MR. HARWOOD: I move we approve this
14 grant.

15 SENATOR RUFF: It's properly moved and
16 seconded approving 2679. Further discussion? All in favor
17 say aye. (Ayes.) Opposed? (No.) All right. The next is 2670.

18 MR. PFOHL: The Russell County Public
19 Schools is the applicant on behalf of the entire Virginia Race
20 to GED program and it serves three planning districts.
21 They've been to us eight times and your Committee has
22 awarded since 2004 a total of \$950,000 and the numbers are
23 fairly impressive for that investment. Since 2004, Southwest
24 Race to GED program has credentialed 12,000 more people.
25 The request this year is seeking three years of funding in

1 which 2500 students will be tested and 1785 certificates
2 awarded. The previous grant you provided them ran out of
3 money at the end of 2012. They're asking you to go back to
4 January 1 of this year to cover the testing costs. That's
5 contrary to our funding policy. Staff is suggesting that if you
6 fund the program through December 2014, that will give them
7 adequate time to serve students with the current costs from
8 2013 as well as making adjustments for the new testing
9 content, cost and format in 2014. Funding is from date of
10 Commission approval, which would be maybe tomorrow
11 through December 2014. Staff is recommending an award of
12 \$205,160 for program costs from date of Commission approval
13 and no retroactive reimbursements. This is through
14 December 2014.

15 DELEGATE JOHNSON: I move we fund
16 this project. Nobody here from Russell County so I'll speak for
17 them.

18 SENATOR RUFF: Just make the motion.

19 DELEGATE JOHNSON: I move we accept
20 the proposal and if there's anybody that needs help it's
21 Russell County, which is really tobacco country.

22 SENATOR RUFF: It's been moved and
23 properly seconded. If there's any other discussion?

24 MR. WALKER: Is there match money?

25 MR. PFOHL: It's the instruction from all

1 of the different school districts, classroom instruction
2 preparing folks to take the test. The GED proposals are pretty
3 well matched from that standpoint.

4 MR. WALKER: I was confused in the last
5 meeting because I thought the purpose of having the match is
6 they put up the money. It doesn't look like we're making
7 much progress with the match if that's what we're using it for.

8 DELEGATE WRIGHT: My question is
9 that the Franklin Center request for thirteen localities for
10 \$75,000 and this one is sixteen as I understand it and the
11 amount granted is \$205,000, why is it more?

12 MR. PFOHL: A much higher number of
13 students are in the Southwest program. The Southside
14 program is anticipating getting 300 test GEDs and the
15 Southwest is anticipating 2500 and it's a different time period.
16 Southwest is running higher numbers. Mr. Walker, there are
17 matching funds from several private partners on this as well.
18 You've got Charter Media \$161,000, Bristol Motor Speedway
19 tickets valued at a million for three years. Food City
20 Marketing efforts \$135,000. So there's some private matching
21 funds in the Southwest.

22 SENATOR RUFF: It's been moved and
23 seconded. All in favor say aye. (Ayes.) Opposed?

24 MS. THOMAS: No.

25 DELEGATE WRIGHT: No.

1 SENATOR RUFF: The next one is 2709.

2 DELEGATE JOHNSON: I move that we
3 approve \$170,000 for 2709. It was tabled and some
4 information was needed and that information has been
5 supplied and I move we recommend it to the full Commission.

6 MR. REYNOLDS: Second.

7 SENATOR RUFF: Properly moved and
8 seconded. Any further discussion?

9 MS. THOMAS: Can you explain this?

10 MR. PFOHL: This is the one that is high
11 school teachers, science, math and technology that allow them
12 to teach dual enrollment community college classes.

13 MS. THOMAS: It's training teachers?

14 DELEGATE WRIGHT: How is it being
15 done? Are they getting certification on their own?

16 MR. PFOHL: They have to go to different
17 universities that offer that.

18 SENATOR RUFF: Any further
19 discussion? All those in favor say aye. (Ayes.) Opposed? (No
20 response.) That carries. 2675. Is there a motion? It's been
21 properly moved and seconded that 2675 be approved. Any
22 further discussion? All in favor say aye. (Ayes.) Opposed?
23 (No.)

24 MR. NOYES: Application 2675, Ms.
25 Barts?

1 MS. BARTS: Yes.

2 MR. NOYES: Ms. DiYorio?

3 MS. DIYORIO: Yes.

4 MR. NOYES: Mr. Hamlett?

5 MR. HAMLETT: Yes.

6 MR. NOYES: Mr. Harwood?

7 MR. HARWOOD: Yes.

8 MR. NOYES: Delegate Johnson?

9 DELEGATE JOHNSON: Yes.

10 MR. NOYES: Delegate Merricks?

11 DELEGATE MERRICKS: Yes.

12 MR. NOYES: Mr. Reynolds?

13 MR. REYNOLDS: Yes.

14 MR. NOYES: Senator Ruff?

15 SENATOR RUFF: Yes.

16 MR. NOYES: Ms. Thomas?

17 MS. THOMAS: No.

18 MR. NOYES: Mr. Walker?

19 MR. WALKER: No.

20 MR. NOYES: Delegate Wright?

21 DELEGATE WRIGHT: No.

22 MR. NOYES: The motion is in favor of

23 2675, it carries. Now we have 2583.

24 MR. PFOHL: This is the program I

25 described, which provides a thousand dollar incentive.

1 SENATOR RUFF: Any further discussion
2 on 2583?

3 MS. THOMAS: Is there any rationale for
4 awarding these incentives after they complete the courses?

5 MS. SMITH: They can't enroll without
6 the money and that's the problem.

7 MS. THOMAS: Any way to hold back this
8 amount, I'm concerned with people enrolling and taking a
9 course for a week or two and dropping out.

10 MS. SMITH: All I can tell you is that this
11 will be very carefully monitored and evaluated and the colleges
12 have the mechanism to do that with their financial aid office.
13 The Patrick County model has been extremely successful.
14 Forty-eight percent of those who enrolled in Patrick County
15 went on and completed either a degree or a certificate or a
16 workforce training program and that got them into the job
17 market or transferred to a four year college and that's half,
18 48% of all those that completed a GED.

19 MR. WALKER: What's the track record of
20 the colleges recovering the money when the grants not
21 completed?

22 MS. SMITH: I'm not in financial aid so I
23 really can't give you that figure. I think there are some people
24 here that could answer this.

25 SENATOR RUFF: If somebody enrolls in

1 the program or truck driving school and you give them a
2 scholarship and they drop out of the program the second
3 week, do you get that money back?

4 DR. GAVIN: The majority of the Pell
5 Grants pay the federal government back, yes.

6 MR. NOYES: There's no provision under
7 current policy.

8 DELEGATE MERRICKS: Is it possible
9 with the federal Pell Grant that money has to go back. Is it
10 possible other funds would be used first before Tobacco funds
11 are used? You've got Pell Grants and a whole lot of grants,
12 sometimes they make money. Sometimes they get living
13 expenses and other things. Is it possible for you to use those
14 funds first?

15 MS. SMITH: That's certainly possible
16 and like these part time students could not qualify.

17 SENATOR RUFF: Any consideration
18 given to giving the college the money and then letting them
19 put the money into an account and crediting that individual's
20 account?

21 MS. SMITH: It would be worked out so
22 that the colleges would have the prerogative of setting up
23 whatever arrangement for administering this that works best
24 for their particular financial aid situation. There would be an
25 oversight committee with representatives of institutional

1 advancement offices and they're the ones that made the
2 award. The financial aid office has processed the money. All
3 of that would be set up in a process that ensures the money
4 would be wisely spent.

5 UNIDENTIFIED: A lot of times money is
6 placed directly on the account so the student receives the
7 funds and if he or she drops the class within the first couple of
8 weeks and that money can be removed and the student is
9 automatically dropped if the teacher reports he or she is not
10 attending and the money can be pulled back out.

11 SENATOR RUFF: Did you say
12 sometimes?

13 UNIDENTIFIED: What I'm familiar with
14 and I can't speak for other community colleges but the system
15 most of us use if a student drops you can pull it back off and
16 a bill gets processed to the school.

17 SENATOR RUFF: I think there's enough
18 rumble around this table that it might be best to table this
19 until the next meeting. There's a motion and a second.
20 Further discussion? All in favor of tabling 2583 say aye.
21 (Ayes.) Opposed?

22 MR. HAMLETT: No.

23 SENATOR RUFF: Any other business?

24 MR. PFOHL: Grant 1276, New College
25 Southside, this is re-budgeted and an extension and there's

1 been an agreement on providing college programs on advance
2 manufacturing and healthcare workforce. They're requesting
3 this grant be extended through December 2014 and staff
4 supports that request.

5 SENATOR RUFF: This is an extension of
6 an existing grant?

7 MR. PFOHL: Yes.

8 SENATOR RUFF: All right, it's been
9 moved and seconded that this grant will be extended then. All
10 in favor say aye. (Ayes.) Opposed? (No response.) All right.
11 We'll recess and we'll be back in session sometime around
12 four o'clock.

13

14 PROCEEDINGS CONCLUDED.

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1 CERTIFICATE OF THE COURT REPORTER

2
3 I, Medford W. Howard, Registered Professional
4 Reporter and Notary Public for the State of Virginia at large,
5 do hereby certify that I was the court reporter who took down
6 and transcribed the proceedings of the **Virginia Tobacco**
7 **Indemnification and Community Revitalization**
8 **Commission Education Committee meeting when held on**
9 **Wednesday, May 22, 2013 at 2:00 p.m. at the R. T. Arnold**
10 **Library in South Hill, Virginia.**

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

14 Given under my hand this 17th day of June,
15 2013.

16
17 _____
18 Medford W. Howard

19 Registered Professional Reporter

20 Notary Public for the State of Virginia at Large

21
22 My Commission Expires: October 31, 2014.

23 Notary Registration Number: 224566