

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 20, 2015

11 2:00 P.M.

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14 New College Institute
15 Martinsville, Virginia

1 SENATOR RUFF: I'm going to call the
2 Education Committee Meeting to order. To start off by calling
3 on William Wampler.

4 SENATOR WAMPLER: Mr. Chairman and
5 members of the Committee, thank you very much for traveling
6 to Martinsville and Henry County and we're trying to become
7 resurgent in our efforts to produce student graduates that
8 have the necessary skill sets that our employers are looking
9 for. We're joined by a number of folks throughout southern
10 Virginia in the education community. I would draw your
11 attention to my partner Dr. Godwin seated behind me and the
12 President of Patrick Henry Community College. I start my
13 staff meetings by saying the new college cannot be successful
14 unless Patrick Henry Community College is successful and PH
15 cannot successfully discharge its duties to graduating
16 students unless our K-12 partners graduate a robust class of
17 students that have the prerequisites.

18 As part of my brief, because I know the
19 core of the work that you all are undertaking and considering
20 today, how do we create that pipeline as wide as possible so
21 we can all have a brighter future.

22 Mr. Chairman, I have to observe that
23 without the help of the Tobacco Commission, your grant of
24 some three years ago, this building would not be possible and
25 it helped unlock the Artist Foundation match, which unlocked

1 many other grants and fundraising activity. We welcome you
2 to the next two days and we hope you have a pleasurable
3 experience here and we hope you'll get a better idea of how
4 this and our other sister institutions are also trying to
5 transact business. So we thank you very much, sir.

6 SENATOR RUFF: More formally, you will
7 be introduced at the full Commission meeting tomorrow
8 morning. I also want to introduce our new Executive Director.

9 MR. FEINMAN: Thank you very much.
10 I'm excited to be here.

11 SENATOR RUFF: One more piece of
12 business. Dale Moore will not be here today. He's in the
13 hospital for the last week or so trying to recover. Would you
14 call the roll, Tim?

15 MR. PFOHL: Ms. Coleman?

16 MS. COLEMAN: Here.

17 MR. PFOHL: Mr. Harris?

18 MR. HARRIS: Here.

19 MR. PFOHL: Mr. Merricks?

20 MR. MERRICKS: Here.

21 MR. PFOHL: Mr. Moore is absent. Mr.
22 Reynolds?

23 MR. REYNOLDS: Here.

24 MR. PFOHL: Senator Ruff?

25 SENATOR RUFF: Here.

1 MR. PFOHL: Mr. Shell?

2 MR. SHELL: Here.

3 MR. PFOHL: Senator Stanley?

4 SENATOR STANLEY: Here.

5 MR. PFOHL: Mr. Walker?

6 MR. WALKER: Here.

7 MR. PFOHL: Delegate Wright?

8 DELEGATE WRIGHT: Here.

9 MR. PFOHL: You have a quorum, Mr.
10 Chairman.

11 SENATOR RUFF: I'd like to welcome
12 everyone here today. I know you've come with your hand out
13 and we do the best we can. There are far more requests than
14 there is money but we will wade through these requests as
15 diligently as we possibly can. The minutes are on the website
16 from the September meeting of last year. Is there a motion
17 those be approved? We have a motion and a second to
18 approve the minutes. All those in favor say aye. (Ayes.)
19 Opposed? (No response.) The minutes are approved. Tim, do
20 you want to walk us through the recommendations?

21 MR. PFOHL: The Commission operates
22 under the competitive education program and for those of you
23 who are newer to the process, early in the fiscal year the
24 Commission from its education budget initially allocates funds
25 for the two regional four year scholarship programs and your

1 community college financial aid. This competitive cycle is for
2 all other projects so it's not involved in financial aid.

3 The staff published some program
4 guidelines a couple of months before the proposals that were
5 due in March and laid out the objectives. We received twenty
6 proposals very highly responsive to the call for proposals. As
7 the Senator mentioned, we received nearly seven million of
8 requests and we had just shy of \$3.2 million and we had to
9 make some tough choices. Before I start walking through the
10 proposals, first I'd like to say that as we received these
11 proposals we were in the process of moving from one online
12 application vendor to another and I have to thank and
13 compliment Carolyn Bringman for designing an online survey
14 tool that worked as our application for this process. But I
15 hope you find that as a good interim step before we have our
16 new system up and running.

17 You'll see that the applications ask very
18 specific questions in response to the objectives of the program.
19 That's something you'll see more of, these type of questions
20 based on specific program objectives and the document in
21 your packet and mailed to the Committee late last week and
22 posted on our website. A lot of the applicants' input and
23 responses to questions the staff put in the application.

24 I also need to thank Sara Williams and
25 Sarah Capps for their diligent review of these and a very quick

1 turnaround timeframe. We've had a lot of dialog with the
2 applicants following the submission of their applications and
3 we thank all of you for being responsive to our questions.

4 The staff is recommending fifteen
5 projects, some is the full requested amount some are reduced
6 amount. I'll try to very quickly run through thirty one pages
7 staff report without keeping us here all evening. Please feel
8 free to stop me if you have questions on specific proposals.
9 There's a lot of applicants represented here today and they
10 want to speak to their proposal.

11 The first one is Bluefield College Science
12 Center Addition Architectural Design Phase, a request for
13 \$37,500, matching funds are committed. I'll point out a
14 couple of years ago your Committee adopted a policy that
15 required dollar for dollar matching funds and you'll see that
16 discussed throughout the staff report. The Bluefield request
17 would complete architectural design and construction
18 documents for a third floor College's Science Center. The
19 space would house their future Masters of Family Nurse
20 Practitioners program. The Commission has previously
21 supported the creation of Bachelor of Science Nursing
22 program. The current application indicates 75% percent of
23 the students enrolled at the program are from Southwest
24 Virginia. The Family Nurse Practitioner program will enroll
25 fifteen students annually and matching funds are committed.

1 The application indicates that future requests not to exceed
2 \$1.1 million will likely be submitted to the Commission and
3 this is a quote to fund approximately fifty percent of the
4 anticipated cost to construct and equip the third floor. Staff
5 recommends an award of \$37,500.

6 The second project is CAWS, Inc., which
7 is an acronym for Caring Arms Will Support, a 501(c)3
8 organization created in 2011 and based at southern Virginia
9 and currently operates to assist seniors for reentry into the job
10 market. The request is to create a construction training
11 program at a church facility that's leased in southern Virginia.

12 Staff has met with CAWS project leaders and we suggested
13 they look into national curriculum and follow through with an
14 NCCER curriculum that they would intend to use for this
15 project, nationally recognized credential. There's no evidence
16 provided of an employment demand in the construction trades
17 in the service area. There's no letters from employers who
18 would hire graduates and that's another requirement for these
19 applications that at least two employer letters be provided.
20 There's no information on cost to construct training space nor
21 a business plan or operating budget. All matching funds in
22 kind are not yet committed. Application indicates future
23 funding requests will be submitted and the staff has indicated
24 why this need couldn't be met by the community colleges in
25 the area and long term viability of this relatively small non-

1 profit to sustain this type of program. Staff is recommending
2 no further action on this proposal.

3 The next one up is from Central Virginia
4 Community College Educational Foundation for Modernization
5 of STEM-H Labs requesting \$115,408. CVCC has provided
6 detailed equipment lists and a construction budget to support
7 these costs and the required dollar for dollar match. The
8 majority of the grant funds are requested for replacement and
9 purchasing of new equipment for science labs in the CVCC
10 main campus. They have an associate in science degree
11 program. There's also funds requested to convert an existing
12 area into a fourth biology lab at the main campus and more
13 equipment for a new chemistry lab in the Bedford CVCC site.
14 I'll jump ahead to some of the outcomes here. CVCC
15 explained the changes to the program to convert from an
16 associates in arts and science to an associates in science
17 degree would primarily relate to transferability of credits to a
18 four-year university and are expected to result in increased
19 enrollment and an additional twelve net new associate
20 degrees, which would be an increase from 43 to the mid-fifties.
21 The project supports CVCC pre-nursing program. Additional
22 outcomes are listed as 36 career study certificates in pre-
23 nursing increasing from nine currently to 45. Status of
24 matching funds private funding are identified as application
25 intended and CVCC recognizes the need for a required match

1 in order for Commission funds. Staff is recommending
2 \$115,408, contingent on disbursement of grant funds for no
3 more than fifty percent of eligible project expenses.

4 The next one up is County of Franklin,
5 Southside Race to GED/NEDP program grant. That's an
6 \$80,000 request to directly support priority outcome
7 measures and strategies for the education program. The
8 Commission previously awarded two grants of \$75,000 each
9 for a total of \$150,000 to support the race for GED in previous
10 funding rounds. Those grants were targeted to thirteen
11 localities in Virginia. This request would stay in the service
12 area of all 23 localities in Southside. Grant funds would be
13 used for cost of marketing materials and for participant
14 testing for the GED and National External Diplomas Program.
15 Staff is recommending \$80,000.

16 SENATOR RUFF: Tim, we have funded
17 GED for over a decade now. Do you have any quantitative
18 results from all that?

19 MR. PFOHL: We do, actually, and
20 Carolyn has done some data collection from our grantees in
21 our most recent annual report. We noted I believe it was
22 12,500 GEDs obtained.

23 MS. BRINGMAN: I think so. I can look it
24 up.

25 MR. PFOHL: Primarily in the Southwest

1 region where the Commission has been supporting that for
2 over a decade. Southwest Race to GED program. The
3 Southside partnership here between Franklin County and the
4 Southside Community College, that's been in existence for two
5 to three years and they report the outcomes to us.

6 SENATOR RUFF: In generations past,
7 GED meant something, does it mean something today?

8 MR. PFOHL: Cathy Hodges is the project
9 leader.

10 SENATOR RUFF: I guess my question is
11 are employers saying they require a GED before employment?

12 MS. HODGES: Many of our employers
13 are requiring a GED before employment. It still is an option
14 but it's an opportunity to go into a further training program
15 with our community college partners so they can also go to
16 certification programs. I can provide you additional data if
17 needed and a lot of that work or a lot of that is in the grant
18 application but I can tell you to date 30,153 tests have been
19 passed and we have 31 GEDs this year, which is a huge step
20 forward. Last year in January the test was changed and went
21 from five tests to four tests. These new tests are exponentially
22 harder. They include trigonometry, algebra, geometry, a lot of
23 critical thinking skills not on the former test. They're very
24 much in alignment with the SOL tests that are currently being
25 conducted throughout the school systems in Virginia. But to

1 answer your question, yes, it's highly recognized and many of
2 our employers do require that but it's also a ticket to higher
3 education training program. \$120 is the cost of the test and
4 it's a huge financial burden for a lot of people we serve. If you
5 would allow me, I'd like to ask a lady from Patrick County to
6 come up for a moment and she was just recently telling me a
7 story about one of her students.

8 SENATOR RUFF: What's the difference
9 in the cost of the test?

10 MS. HODGES: It formerly was \$58, it's
11 now \$120.

12 SENATOR RUFF: That's what disturbs
13 me.

14 MS. HAZLEWOOD: I'm Leigh Ann
15 Hazlewood. I'm with the Patrick County Adult Education
16 Program and I work on a daily basis with my students. This
17 morning I had a man who walks to class every day and he and
18 his wife were discussing last night about the GED test. He
19 wants to take the test but can't afford it and they have a
20 fifteen year old daughter and he hasn't worked in about six
21 months. He came and said he and his wife discussed it and I
22 can't afford it right now. This scholarship will allow this man
23 to receive the GED and he can't find a job right now. In
24 Patrick County jobs are scarce and the same throughout
25 much of Southside Virginia. This scholarship will allow this

1 man to better himself and better his family life. This
2 scholarship means so much to individuals and on a daily
3 basis I see people in tears because \$120 can mean the
4 difference in feeding his family for two weeks and him taking
5 the GED test. What I saw was very heartbreaking in this case.

6 SENATOR RUFF: I appreciate all that
7 you've done but I'm still concerned about it.

8 MR. PFOHL: The next request is from
9 Danville Community College for Dimensional Metrology Career
10 Pathways program a request for \$585,155. The request would
11 support the creation of a Dimensional Metrology and DCC has
12 been working to establish this over the last couple of years
13 through study groups. Funds are requested for equipping a
14 dimensional metrology lab area and workstations \$315,000
15 and change. Personnel for one instructor for two years during
16 the program startup period and that's a total of \$150,000.
17 The contractual services for cost to develop a NIMS
18 certification currently the National Institute for Metalworking
19 Skills, lacks a nationwide industry certification. And DCC is
20 proposing to develop one in partnership with NIMS. That's at
21 a cost of \$120,000.

22 DCC is projecting that twenty students
23 will enroll in two years of the program that's forty students
24 annually and as it moves towards full operation and eighteen
25 new associate degrees would be awarded annually. The

1 request for \$120,000 for NIMS certification is something that
2 aligns with our interest in helping students in the region
3 receive nationally recognized workforce credentials. However,
4 staff points out that the certifications would be available
5 nationally and we felt that as a result of the project it would be
6 better financed by VEDP, its foundation. Staff is
7 recommending an award of \$390,155 to support the
8 equipment costs and one year of personnel cost for the new
9 instructor.

10 The next request is from the Integrative
11 Centers for Science and Medicine Martinsville Medical School
12 Construction, a request for \$1,945,000. The 501(c)3 applicant
13 submitted a Special Project request in 2014 to assist in the
14 creation of a for-profit College of Henricopolis medical school
15 and that request was passed by by Special Projects.
16 Subsequently, a TROF grant of \$800,000 was approved to the
17 city of Martinsville to assist the project with commitments to
18 create 111 jobs and \$3 million of taxable private capital
19 investment. ICSM and the applicant would lease the
20 educational sites to the college. The college is provisionally
21 certified by SCHEV to provide instruction in Virginia and
22 that's based on receiving national accreditation. Both ICSM
23 and the college appear to have experienced board
24 membership, however the request is nearly two-thirds of the
25 available funds in this grant cycle. 99% of the \$5.9 million in

1 matching funds are not yet committed including New Market
2 Tax Credits, Harvest Foundation and a General Assembly
3 appropriation. Several steps still must be accomplished to
4 achieve accreditation from LCME, the national accrediting
5 body. Staff readily acknowledges the need for additional
6 doctors in this medically underserved region as well as the
7 vision and commitment of the qualified ICSM leadership.
8 However, the Commission already has a significant investment
9 in the project, and until such time as additional progress
10 toward LCME accreditation is demonstrated, it appears that
11 other funding sources needed to open the college are waiting
12 to commit to the project. The likelihood of LCME accreditation
13 is extremely difficult to predict and given that full or even
14 partial funding of this request would come at the cost of other
15 competing proposals that have committed matching funds and
16 are closer to implementation, staff recommends no further
17 action on this proposal.

18 The next proposal is from John Tyler
19 Community College for \$65,282 for the 2015/16 Tobacco
20 Region Scholarship Program. I mentioned in my introductory
21 comments that the Commission provides community college
22 financial aid in the fall grant cycle. There's been some
23 turnover in the John Tyler Foundation. They did not submit
24 to that cycle so this request is submitted in consideration of
25 the fact that they missed that cycle and are hoping to receive

1 Commission support. The request, it complies with all the
2 guidelines of that latter funding cycle, those objectives in the
3 latter funding cycle for students from the tobacco region. It
4 would continue to focus on previous Commission funding to
5 John Tyler, which has assisted students in STEM-H and
6 precision machining and adds welding to the uses of funds.
7 Outcomes are shown as 142 STEM-H students, sixteen in
8 machining and twelve in welding. Matching funds are shown
9 as \$297,000 from other state and federal financing sources.
10 John Tyler's approach to serving these concurrent students is
11 an exemplary partnership of the local school districts covering
12 costs to transport students to John Tyler campus and the
13 college providing training in state of the art science, welding
14 and machining labs with certified instructors. Staff
15 recommends an award of \$65,282.

16 The next request is from Lynchburg
17 College requesting \$296,968 to establish a physician's
18 assistant medicine program. The application provides very
19 solid evidence of a need for physician's assistants even within
20 the Tobacco Region as well as in Virginia. The college's
21 commitment is to begin the program within the next month
22 and a commitment of \$7.2 million of matching funds of which
23 half is capital costs and equipment and the other half is
24 operating capital. The program received provision
25 accreditation in April and will begin classes within the next

1 few weeks. The college makes a valid and reasonable
2 argument that fifteen percent of the now enrolled first cohort
3 are Tobacco Region residents and eight of the fifteen clinical
4 sites are in tobacco localities generally within an area
5 stretching from Bedford to Farmville to Danville. It appears
6 reasonable to estimate that four to six Tobacco Region
7 residents could graduate from the program annually and
8 return to the clinical sites to practice. That number can be
9 multiplied by the number of years of useful life for the
10 requested equipment and presumably at least ten years to
11 extrapolate perhaps fifty or more new highly paid physician's
12 assistants in the Tobacco Region within a decade. However,
13 the LU campus is located outside the Tobacco Region by a
14 mere three or four miles and staff is aware that other colleges
15 and universities located further outside the Tobacco Region
16 can make arguments similar to Lynchburg regarding Tobacco
17 Region student enrollment numbers. The Committee
18 recognized that fact when it voted to provide \$200,000 of
19 support for the college's nursing simulation lab in the City of
20 Lynchburg five years ago. In this case, however, this program
21 will be implemented with or without Commission support and
22 in light of at, and despite a well-scoring proposal, staff feels
23 the precedent setting decision to again award funds outside
24 the region is not warranted and staff recommends no further
25 action on this proposal.

1 The next request is from Mountain
2 Empire Community College Foundation requesting \$428,141
3 and that's for the Healthcare Simulation Access project.
4 Funds are requested for the creation of a healthcare
5 simulation lab on the campus of Mountain Empire
6 Community College. This lab, which will serve students in the
7 RN, LPN and respiratory therapy and other allied health
8 programs is consistent with similar projects funded at other
9 schools across the Tobacco Region. Because this lab will
10 serve existing programs, there does not appear to be any net
11 increase enrollment number or in the number of credentials
12 awarded annually. However, it will eliminate the need for
13 MECC students having to drive more than an hour each way
14 to use the Tri-College nursing simulation lab at Virginia
15 Highlands in Abingdon. Despite the lack of increase, there is
16 a strong argument that simulation laboratories such as the
17 one proposed at Mountain Empire are a critical resource for
18 nursing programs. Mountain Empire's evidence indicates 94
19 job openings during February of 2015 in its service area just
20 prior to submitting this application. Commission funds are
21 requested for renovation of the space in Robb Hall, purchase
22 of simulation mannequins and related software, contractual
23 costs and various supplies and materials for the lab, some of
24 the matching funds are committed, some are yet to be raised.
25 The simulation lab is not due to open until fall semester of

1 2016. The staff felt a reduced award would enable substantial
2 completion of the lab while allowing Mountain Empire the
3 opportunity to apply to next year's competitive Education
4 round once the additional match has been raised. Staff
5 recommends an award of \$370,000.

6 Patrick Henry Community College
7 submitted a STEM and Advanced Manufacturing Training
8 Facility request for \$600,000. Grant funds would be used for
9 construction costs for development of five laboratories for the
10 areas of engineering, motor control, instrumentation,
11 automation and mechatronics at PHCC's new STEM and
12 Workforce Development training facility. The new facility will
13 be housed at the facility previously known as the Virginia
14 Motorsports Technology Center located in the Patriot Centre
15 Industrial Park. The complex of two buildings was purchased
16 with \$5.44 million of state funding. There remains a \$2.85
17 million balance in an \$8.7 million General Assembly
18 appropriation to support development of this facility, which is
19 being provided as match for this proposal and will be used
20 toward the total construction costs. This project directly
21 supports the Commission's expressed priority consideration
22 for proposals that provide for advanced manufacturing
23 workforce training. Detailed schematics for the facility have
24 been submitted to the state for review in March 2015. The
25 college is on schedule to advertise for bids by the end of this

1 committed to sustaining the program once established and of
2 the fifteen students enrolled annually, the college estimates
3 that twelve students will complete the program to receive their
4 associate of applied science degree. Staff recommends an
5 award of \$275,000.

6
7 Southwest Virginia Community College
8 Advanced Manufacturing AAS Degree Program, the request for
9 \$87,890, The request is a one-time equipment needs request
10 and that will help with the development of the AAS technical
11 studies degree and in advanced manufacturing. No similar
12 program currently exists in the area and the applicant
13 provided compelling employer reviews and letters from
14 employers to document the demand for employees with the
15 skill sets developed through this degree. In addition to the
16 AAS degree program focusing on a combination of precision
17 machining, welding and mechatronics, participants will have
18 the opportunity to earn national recognized certification from
19 NIMS, MT1, AWS, and Siemens Mechatronics Level I
20 certification. Cohorts will begin annually with approximately
21 28 participants but could start more frequently if needed. The
22 28 participants can earn 164 cumulative credentials.
23 Matching funds are committed from the Department of Labor,
24 Community College Foundation and staff recommends an
25 award of \$87,890.

Next is Southwest Virginia Alliance for

1 Manufacturing submitting a request for Employer Training
2 Collaborative total request \$879,899. Commission funds are
3 requested for a one year period to provide up to fifty percent
4 reimbursement to area industries for costs associated with
5 new employee training, and ongoing technical and topical
6 training for existing employees. The request seeks more than
7 one quarter of the Commission's total budget for this grant
8 cycle. The application indicates future requests in the
9 amounts of \$300,000 for the second year and \$150,000 for
10 the third year are anticipated. Let me shortcut through this
11 long list of staff comments. The training will cover a variety of
12 topics ranging from occupational skills such as welding and
13 machining and lean manufacturing to soft skills such as
14 communication, technical writing, teamwork and
15 professionalism. Specific training programs include Virginia
16 Manufacturers MT1 certification, National Career Readiness
17 Certificates, OSHA-10 and 30, ISO and Human Resources
18 Manager Certification. Of these specific areas, the largest
19 number of credentials will be obtained in welding and
20 machining, which develops the foundational skills pipeline
21 that will feed into SAM's efforts as a designated advanced
22 manufacturing center of excellence approved by the
23 Commission last September. Conversely, staff suggests that
24 certain training sought in this request such as soft skills,
25 OSHA, ISO and HR certification while they have merit and

1 value are arguably more so the responsibility of the
2 individuals and the companies and do not align as well with
3 the education program objective and should not be a funding
4 priority within this proposal. Previous grants totaling
5 \$390,000 since 2007 have been awarded to the Smyth-
6 Washington Industrial Facilities Authority and also to SVAM
7 for similar training reimbursement programs. It remains
8 somewhat unclear how effectively this would be coordinated
9 with the community college's role as the customized workforce
10 training provide for employers in the Commonwealth. No
11 information was provided for the usage of the Virginia Job
12 Investment Program and other state workforce training
13 sources. No state training funds are showing. The staff has
14 strong industry connections with member companies and it's
15 done a commendable job in extending its membership to
16 include all areas of Southwest Region. It should be noted that
17 many of the industries that will benefit from the proposed
18 project have received large amounts of support from the
19 previous grant that I mentioned. Previous Commission grants
20 have disallowed the reimbursement of training focused on soft
21 skills and require that training be limited to a previously
22 agreed upon list of technical skill subjects. While the proposal
23 requests fifty percent reimbursement from Commission funds,
24 staff suggests a more equitable approach is to provide 25%
25 reimbursement to companies that have been supported under

1 previous grants and up to 33% reimbursement for new
2 companies that have not been reimbursed previously. This
3 would allow Commission funds to serve more companies and
4 workers and generate more nationally recognized credentials.
5 Staff recommends an award of \$200,000, 25-33%
6 reimbursement of training in MT1, NCRC, welding and
7 machining. There are some folks here.

8 The next request is from the University of
9 Virginia's College at Wise Foundation for Nursing Lab
10 Simulation Mannequins requesting \$123,732. This project
11 would replace outdated simulation mannequins at the UVA-
12 Wise is consistent with similar requests from other nursing
13 programs in the region. UVA-Wise's program is unique in that
14 it is the only public four-year BSN program in the southwest
15 area of Virginia in the Commission's footprint. While this
16 project does not result in an increase to the 26 degrees
17 awarded annually, it is commonly acknowledged that the
18 experience gained by the students performing simulations of
19 real-life scenarios is critical to the skill level of the graduates
20 and has become a state of the art educational tool. Matching
21 funds are not yet committed but will be used to fund fifty
22 percent of each of two mannequins. Additional information
23 provided by the college show that for the current fiscal year,
24 \$223,000 was budgeted for equipment replacement. Due to
25 the significant cost of equipment such as what is requested in

1 this application, the college must rely on external support to
2 accomplish the upgrade. Staff recommends an award of
3 \$123,732 to fund fifty percent of each of two mannequins.

4 Next is the Virginia Early Childhood
5 Foundation Southside School of Workforce Readiness Project
6 requesting \$497,800. The majority of this proposal is to
7 support staffing and operating costs for a non-profit
8 organization whose mission is focused on advancing school
9 readiness, the majority of which does not align well with what
10 the Commission's stated priorities for this program, which are
11 focused on adult education and outcome measures for
12 increasing the numbers of workforce credentials. The
13 Commission has supported VECF and the early childhood
14 coalitions over six years with \$1.7 million in funding to
15 develop regional partnerships for early childhood
16 development. This request includes \$304,000 of personnel
17 costs primarily for hiring a new position of Southside Regional
18 Director. Staff points out the Commission previously provided
19 funding for project officer positions in Southside and
20 southwest areas of the Tobacco Region under the first grant to
21 VECF and a Director of Community Investments whose
22 responsibilities were primarily targeted to the Tobacco Region.
23 Funds are also requested to be allocated for support costs for
24 this position including travel, supplies and equipment,
25 \$69,000 is requested for contractual services for a data and

1 evaluation contractor, \$110,000 is allocated to transfer
2 payments to cover fifty percent of costs for day care centers
3 participation in the Virginia Star Quality Initiative program
4 and a hundred percent of scholarships for tuition at
5 community colleges to receive further childhood education.
6 VECF identifies over \$1 million of grant funds from the W. K.
7 Kellogg Foundation as match for this request. Although the
8 Kellogg grant does not require matching funds and minimal
9 details are provided for how the Kellogg funds are budgeted,
10 staff notes that VECF has been in existence for ten years and
11 receives funding annually from the General Assembly.
12 Recognizing the value of Virginia Star Quality Initiative in
13 certifying the quality of childcare programs and the
14 quantifiable measures that would result supporting this
15 aspect of the request may be a reasonable consideration.
16 Supporting the community college tuition costs for childcare
17 workers to receive formal educational training is the one
18 aspect of the request that most thoroughly aligns with the
19 Commission's outcome measures for this program. Based on
20 information available from VCCS early childhood programs are
21 available in several Tobacco Region including the associate of
22 applied science degrees and career study certificate programs.
23 The staff is recommending an award of \$110,000 to support
24 the transfer payment project costs for VSQI program
25 participation fees and to support tuition reimbursement for

1 childcare workers who commit to completing a community
2 college associates degree or career studies certificate program,
3 contingent on at least a dollar for dollar match for all
4 beneficiaries.

5 The next is Virginia Foundation for
6 Community College Education has submitted a request for
7 \$490,000 for the High School Career Coaches for Advanced
8 Manufacturing. This is a request that was submitted at a
9 much higher level a year ago. This was refocused by the
10 foundation for community college education with the Virginia
11 Community College System Foundation. They put in place a
12 two year pilot for career marketing services based on VCCS's
13 successful career coaching program. It supports the
14 development of the foundational level skills training that will
15 ultimately provide students for the advanced manufacturing
16 CoEs. The five colleges participating in this include a full time
17 employee at each of Danville, Patrick Henry, Southside and
18 Southwest, as well as a part time employee at Virginia
19 Western to serve Franklin County only. The majority of funds
20 are requested for transfer payments to the five colleges to hire
21 the advanced manufacturing career coaches, while the
22 remaining funds are requested for travel, training, supplies,
23 marketing and materials. Matching funds are proposed from
24 VCCS, VFCCE, the five colleges. The foundation commits to
25 developing and documenting outcome and effectiveness

1 measures beyond the 2500 students who are expected to
2 receive coaching services in the two year time period. Future
3 funding will be determined by effectiveness and state and
4 regional support. The proposal falls under the umbrella of
5 VCCS's Rural Horseshoe Initiative and aligns well with the
6 Commission's advanced manufacturing initiative and should
7 boost the pipeline and preparedness of students entering
8 community college programs in welding, machining, industrial
9 maintenance and other manufacturing skill areas. Staff
10 recommends an award of \$490,000.

11 Virginia Highlands Community College
12 Educational Foundation Green Energy Water Pumping System
13 requesting \$28,559. This project is a collaboration between
14 the applicant and the Southern Virginia Higher Education
15 Center to conduct a service learning project by installing and
16 maintaining a renewal energy powered water pumping system
17 on two farms located in the service area. Students at the
18 Southern Virginia Higher Ed Center in the product design and
19 development program will take part in the designing and
20 fabrication process for the water wheel. Students in the
21 energy, electricity energy technology associates or certificate
22 program and engineering science program will conduct the
23 installation and operation of the system. It's estimated the
24 enrollment in the programs would increase from a baseline of
25 107 to 137 and the number of students completing credentials

1 will increase from 48 to 75. However, it is difficult to
2 determine if these increases are the direct result of this
3 project. Commission funds will be used to support faculty
4 time at each location and materials to construct the water
5 system and student travel between locations. While all
6 Commission funds will be spent during the first year of the
7 project, a large portion of the matching funds will not be spent
8 until the second year. The application did contain letters of
9 support from industries in the region who stated a need for
10 employees with these certifications. There is no evidence that
11 this project experience is relevant for their hiring needs
12 beyond critical thinking and soft skills factors. Ultimately,
13 while this is certainly a modest request, it involves
14 improvements to private properties with public funds and is
15 an enhancement to existing programs which does not result in
16 a new credential for participants. Staff recommends no
17 further action on this proposal.

18 Virginia Western Community College
19 BioLine: Bio Labs in Franklin County is requesting \$99,966.
20 In July 2014, Patrick Henry Community College, which
21 previously shared responsibility for serving Franklin County
22 residents with Virginia Western Community college and which
23 had offered daytime college classes at the Franklin Center
24 announced it would no longer be serving Franklin County.
25 This is an opportunity for Virginia Western to expand its

1 offering at the Franklin Center specifically adding the biology
2 labs included in this proposal was created when classroom
3 space previously dedicated to Patrick Henry Community
4 College was vacated. The initial request did not meet the
5 required matching funds but we received supplemental
6 information that satisfies that matching part of it. Over \$2.3
7 million of Commission funds has been awarded to Franklin
8 County beginning in 2004 to support construction of the
9 Franklin Center to be the central location for adult education
10 there under a grant for Patrick Henry in 2009 approximately
11 \$20,000 was provided to support costs for equipping a
12 nursing program at the Franklin Center with ownership of this
13 equipment having recently been transferred to Virginia
14 Western Community College and they will provide training at
15 that site. Staff is recommending an award of \$99,966 for this
16 project.

17 VirginiaFIRST Growing the STEM Pipeline
18 in Southside Schools requesting \$60,000. The Commission
19 previously provided a \$76,000 grant to VirginiaFIRST in
20 October 2007 to address the problem of lack of participation
21 by Tobacco Region schools in the state-wide competitions.
22 The Committee declined to fund additional requests from
23 VirginiaFIRST in each of the three following years. And that
24 was after the 2007 grant. The staff readily acknowledges the
25 challenges of maintaining participation among Tobacco Region

1 school districts. The LEGO league and FIRST robotics
2 competitions are well-known and highly successful across
3 Virginia and the country. However, no letters of interest from
4 local school districts are provided to demonstrate that the
5 number of participating schools, currently five, can be tripled
6 in one year as the proposal indicates. While this is certainly a
7 modest one-year request to contract for the regional director
8 and provide stipends and supplies to promote participation by
9 more schools, the applicant has indicated a future request will
10 be submitted, but provides little in the way of a path to
11 sustainability. Matching funds are mostly in-kind and appear
12 to be spent almost entirely outside the Tobacco Region.
13 Ultimately, as well regarded as FIRST is in attracting STEM
14 focused students, the program's experiential learning does not
15 align well with the Commission's Education outcomes of
16 granting academic and workforce credentials that will lead to
17 employment in the way an engineering or science higher
18 education degree would. Therefore, the staff recommends no
19 further action on this proposal.

20 Last but not least, Wytheville Community
21 College Educational Foundation, VHCSS and WCC and
22 Summit Center for Higher Education requesting \$130,120.
23 The application requests funding for equipping the Summit
24 Center for Higher Education, which would be located in the
25 Wayne C. Henderson School of Appalachian Arts in downtown

1 Marion. The location is centrally located between Virginia
2 Highlands Community College and Wytheville Community
3 College and this is an excellent location to serve Marion and
4 Smyth Counties. The applicant provides a solid list of
5 employer letters and detailed budgets showing a commitment
6 and funds for additional equipment and support from the two
7 colleges. Students will take general education coursework at
8 the Summit and then complete associate degree programs
9 offered by Wytheville Community College and Virginia
10 Highlands Community College. Workforce credentials will be
11 offered on an as needed requested basis by businesses and
12 industries in the area. The colleges estimate an annual
13 enrollment of 300 the first year with 45 credentials awarded.
14 This is a substantial increase from the baseline enrollment of
15 120 with eighteen credentials. However, the staff recommends
16 an award of \$130,120.

17 SENATOR RUFF: Thank you. To me,
18 what I'd like to do if there's no objection and we'll divide this
19 in two groups. Those that I do not believe there will be any
20 controversy and some people may want to make some
21 comments. I'm going to list those and any of those we can do
22 automatically. If somebody wants to pull one out of the block,
23 we'll do it that way. #3026 Bluefield College; #3023 Central
24 Virginia; #3028 Franklin; #3014 John Tyler; #3024 Southside;
25 #3015 Southwest; #3021 College of Wise; #2849 Community

1 College Foundation; #3025 Virginia Western; and #3013
2 Wytheville Community College. Any objection to passing those
3 in a block? Is there a motion?

4 DELEGATE WRIGHT: So moved.

5 SENATOR RUFF: I've got a motion and a
6 second. Any further discussion? All those in favor say aye.
7 (Ayes.) Opposed? (No response.)

8 Now, is there anyone that wishes to
9 speak about #3030 the CAWS proposal? Is there anyone here
10 from Danville Community College that wants to talk about
11 #3019? Is there anyone here that wants to speak about
12 #3017 the Martinsville medical school construction?

13 UNIDENTIFIED: Good afternoon. We
14 want to appreciate the review by the staff and we appreciate
15 the observation and the work done very diligently going on five
16 years with the medical school here in Southside Virginia. I'd
17 like to report a few inconsistencies and observations made by
18 the staff that are not correct and it's fairly significant in the
19 decision negatively in our proposal. First, I'd like to point out
20 the request was for \$1.9 million. We apologize that it is
21 significantly large but it is not \$5.9 million as the staff report
22 indicates.

23 I would also like to point out that it does
24 not include New Market tax credits and no mention was made
25 of that. However, it does include complete matching Virginia

1 Community --- and we included letters of support from
2 matching sources and we have numerous overlapping reports.
3 I should also say briefly that the \$1.9 million request taken in
4 consideration of the overall yearly budget that you have for
5 education, which is \$12 million. We realize it did not fit into
6 the cycle and we had the conversation with Mr. Pfohl but there
7 was no other place for us to make this request. Finally, I'd
8 like to say that yes, \$800,000 we did receive with the TROF,
9 which is a significant investment but I'd remind the
10 Commission that you have a much more significant
11 investment of \$25 million and it's still a proposal, which the
12 staff committee and there is a significant need in Southwest
13 and Southside Virginia to train more doctors. As one member
14 of your Committee pointed out, for every two doctors we lose
15 to retirement in Southside and Southwest Virginia less than
16 one is replaced. We have very extensive evidence that our
17 health measures are significantly poor and Southwest and
18 Southside are improved significantly by increasing physicians.
19 With that, I'll close. We appreciate you won't probably miss
20 seeing us in the future. We'd like to say thank you for the
21 consideration. Thank you.

22 SENATOR RUFF: Thank you, we
23 appreciate it.

24 SENATOR STANLEY: Mr. Chairman, I
25 just want to say that we take very seriously Southside and

1 Southwest Virginia in rural areas average primary care
2 physician age is 54, we lose two we don't get one back.
3 Students coming out of medical schools suffer from \$160,000
4 average medical school debt, which causes them to go into
5 more urban areas where they can make higher income or go
6 into specialized fields where they make more money and pay
7 their debt off quickly. My concern has always been where we
8 solve that problem. One of my pieces of legislation this year
9 was try to expand medical school scholarships for those that
10 will work in the underserved areas. This project is not
11 something that I think this Committee or this Commission
12 should give up on because we may believe the request is high.
13 Certainly we made a previous commitment to King's College
14 and we may be a little snake-bitten by the outcomes of that.
15 But certainly there is funding somewhere with regard to that.
16 We're talking about a school that possesses a new way of
17 teaching primary care physicians to be prepared for chronic
18 conditions, to be prepared Mr. Chairman to serve the
19 underserved rural areas. The way that the education model
20 is, there definitely lower and their outcomes for the region
21 would be higher. I would think at this point in time an
22 \$800,000 commitment by this Commission would certainly be
23 a beginning but I think when we think of what we're doing and
24 what we need to be doing in this area it's not just about jobs,
25 it's about health. With the chronics that we have, Mr.

1 Chairman, COPD, diabetes, most of the people are eighty-
2 some miles away from a doctor or hospital and then they wait
3 until they're truly sick to go with no pre-management of their
4 care.

5 This school presents us with that ability
6 to revolutionize the way that rural healthcare is delivered to
7 this region, which if we can do that that makes us more
8 attractive to development and to companies by managing our
9 people and our workforce, which is necessarily the greatest
10 resource when it comes to what we're doing here at the
11 Tobacco Commission. I understand the budget concerns and
12 cycle but I think if there's any way we could work with Dr.
13 Roaz and the Board, this is one of those schools that's not just
14 I hope and pray but it's something that with proper funding
15 and support especially it should be supported by this
16 Commission and could be very successful and really change
17 medical outcomes for people in this area. I think that's
18 partially why the funding for this Commission came about and
19 the tobacco companies funded this settlement for the MSA
20 due to what it was doing to people's health and what it was
21 doing to people who depended on tobacco for an income and a
22 living. We need to always be concerned, Mr. Chairman, about
23 the health and welfare of the people that we're serving. This
24 not only creates jobs but it creates healthy outcomes for the
25 people now and in the future and low income people such as

1 this Commission. So if there's anything we can do, we should
2 do it and not look at the number and say that's too high
3 because ultimately Mr. Chairman, this is one of the projects I
4 don't think any of us will have to look back and regret that we
5 funded this one and it's one of the mainstays of a success
6 story in Virginia for the Tobacco Commission. I thank you,
7 sir.

8 SENATOR RUFF: The reality is we do not
9 have the funds in this Committee at this time. I would point
10 out that the other hospital school proposal went to Special
11 Projects. So if they want to make the motion that they be
12 referred to Special Projects.

13 SENATOR STANLEY: Mr. Chairman and
14 members of the Committee I would make that motion at this
15 time because this is such an important project and we need to
16 refer this project to Special Projects.

17 SENATOR RUFF: Is there a second?

18 MR. SHELL: I'll second it.

19 SENATOR RUFF: Any further
20 discussion? All in favor say aye. (Ayes.) Opposed? (No
21 response.) That will be referred. All right, Lynchburg College
22 #3027.

23 MS. STANLEY: I'm from Mountain
24 Empire Community College. I want to thank you for
25 recommending to the board \$370,000 for our proposed

1 simulation. We will work with what dollars we've been given
2 and we want to try to complete the project and not have to
3 come back next year. We understand you have some
4 restraints you're operating under. We'll make whatever we
5 need work. Thank you.

6 SENATOR RUFF: #3020 Patrick Henry
7 Community College. I guess I have one question are we
8 working together completely as a team or is there any
9 duplication in this process that's throughout the region. We
10 want to raise the standards and get certification and we don't
11 want to overdo things.

12 MS. GODWIN: Certainly. Let me start off
13 by saying as you know the heart of this project has started out
14 funding as a motorsports facility with the secondary workforce
15 from the General Assembly. One of the things we hoped that
16 our community would continue to understand as well as the
17 entire Commonwealth of Virginia is that motorsports is simply
18 advanced manufacturing. When you open up the lid to
19 advanced manufacturing, these \$600,000 of funds is basically
20 to allow us to expand and enhance existing programs that are
21 going on on our campus as we speak and are significantly
22 limited and maybe not go to the next level and we can't use
23 this facility to its fullest extent. I'd like to argue that the
24 Commonwealth of Virginia has an opportunity to get about
25 five and a half cents for its nickel here. What specifically is

1 being targeted is our medtronics program and we feel like the
2 more the merrier and we're already at level one and we have
3 level two certification. We have a hundred percent passage in
4 that area. It's really been the coming of Eastman and its
5 purchase of Commonwealth Laminating in our community as
6 well as other businesses, industries that are driving the
7 programs that we have. Our Center for Advanced
8 Manufacturing about eighty percent of that program we have
9 in place at Patrick Henry and we developed twenty percent of
10 that program those students are in this facility and they would
11 go into their finishing school here. As you know, just a few
12 months ago Bruce and Al Roberts and myself at Southside
13 and Danville Community College signed a pact that we call
14 Southern Virginia Work and that's part of our commitment to
15 this Commission and the Commonwealth of Virginia, we're
16 going to get the maximum bang for our buck and we're going
17 to try to make sure that we're building and growing a pathway
18 to credentialing that no student in the Commonwealth will
19 ever enter the wrong door and whatever pathway they start on
20 and we can lead them to a credential that will lead them to a
21 job, a better job and to a career.

22 SENATOR RUFF: Thank you. #3016
23 Southwest Virginia Alliance for Manufacturing.

24 MR. MUMPOWER: I'm Kevin Mumpower
25 and thank you for having us today, Southwest Alliance for

1 Manufacturers, I'm a board member. With me is the
2 Chairman of the Board and the general manager of General
3 Dynamics in Smyth County and I've got Jeff Dunnack with
4 Somic America and we also have Barry Reese and this is Rick
5 Munley and Barry is with Tazewell County and Mike
6 Thompson with Tazewell Economic Development Authority.
7 The reason these folks are here and I want to talk about the
8 significance of this grant we applied for. The employee
9 training collaborative seems like a lot of money, which it is,
10 you're looking at a group of employees here that really need
11 this money for training. We've had a number of employees in
12 Southwest Virginia just since the first of the year. Bristol
13 Compressors alone and we're adding over 110 jobs at the
14 Bristol, Virginia location. Since January 1st, we've had 157
15 jobs and spent over \$900,000 in training for machinists,
16 welders, really advanced stuff. The dollars we're talking about
17 in this grant and we're adding real jobs, it's not a job you look
18 for next month. The return on your investment is now. Our
19 application had about 247 employee jobs that we know about
20 that we're adding to Southwest Virginia manufacturing. Our
21 average costs right now roughly five to six thousand per
22 employee when we add an employee to a new position within a
23 manufacturing firm and that's pretty significant. Every dollar
24 that we have in training is dollars that gets taken away from
25 our R&D and machining capacity improvements to help us

1 We use the WCC graduates from the machine technology
2 program. We take a lot of those folks and we have a very good
3 relationship there but the technical skills we're looking for
4 there's just not enough of them and this grant would really
5 help us, it will fill that need. At the back side of our plant, we
6 have another 150,000 square foot pad that's waiting for
7 potential growth. Our parent companies are waiting on us to
8 get going and get strong in our technical ability so they can
9 invest that growth in Southwest Virginia and we're really
10 wanting to reach out and grow our technical skills and this
11 would greatly help us. Thank you.

12 MR. REESE: I'm Barry Reese. I'm the
13 general manager of Human Assets --- Corporation. We're in
14 Tazewell County. One of the things we run into consistently is
15 that we don't have a ready-made workforce. We have certain
16 folks coming out of the coal mine that have great skills and we
17 can make transferable but they will have to be trained. We've
18 incorporated a model where we train our own staff and we can
19 do that. This grant would help us exponentially with that and
20 we're trying to train internally and it costs a lot of money and
21 it takes away from other resources that we have and to be
22 more competitive and we could put more into research and
23 development. The one thing we will say about Southwest
24 Virginia employees there once you have them they're very loyal
25 but we've determined that it's better for our competitiveness

1 we've got to grow our own and training dollars are very
2 expensive. We incorporated a CNC machine recently or in the
3 past year and it cost us over \$20,000 just to train an existing
4 machinist on it. Again, this grant would help us and so we
5 could continue to be competitive. Thank you.

6 MR. SAVERIAN: My name is Larry
7 Saverian. I'm general manager --- in Marion, Virginia.
8 Manufacturing probably more than any other industry has to
9 compete on a worldwide basis and what we have to do is
10 manufacture is to increase our competitiveness and one of the
11 ways we do that is with improved training of our workforce.
12 Today we take contracts at zero or very small profits to give us
13 the time to continue to improve, continue to become more
14 competitive until we can win the next contract and hopefully
15 build on that and grow our facility. We've got some employees
16 and we have the opportunity to grow. We're in an industry
17 that is growing in commercial aerospace particularly and we
18 have the ability but we need the opportunity to continue to
19 develop that workforce so we can create those opportunities to
20 grow the business and grow the employment opportunities in
21 the region. Thank you.

22 MR. MUMPOWER: We really appreciate
23 the Commission giving us the funds for training. We'd like
24 some guidance in the future for additional resources. If we're
25 going to grow Southwest Virginia and grow these

1 manufacturing jobs and we're really just asking for some help
2 to sustain the effort. It takes a lot of R&D money and a lot of
3 training to do that. Anywhere we can get support, it helps
4 every one of us to get there faster. On the manufacturing base
5 and I don't know the statistics exactly we provide probably a
6 factor four turnaround on economic money that goes back to
7 the community for every job. Jobs in manufacturing are one
8 and a half or two times what they are in the retail service
9 sector. It is a significant employee base and a significant
10 impact to the local economy when you support
11 manufacturing. That's why we're here and we appreciate your
12 help, support and thank you for everything you've done for us.

13 UNIDENTIFIED: This is one final request
14 to the recommendation or to the request and we look forward
15 to future discussions.

16 SENATOR RUFF: That's a good point and
17 I think that Bruce will be getting with you all.

18 MR. SOBCZAK: We're going to be
19 meeting with the Center of Excellence people.

20 SENATOR RUFF: We'll get some of those
21 numbers and maybe come back. All right, Virginia Early
22 Childhood Foundation.

23 MR. DAVENPORT: Mr. Chairman, I'm
24 Ben Davenport. We appreciate what you have done and I
25 hope you consider that a good investment. There's a group of

1 we're doing become involved in unique ways in educating our
2 children they more they tend to be or where this area is
3 appealing. While I won't speak to the details of this, I'm
4 saying that every dollar you invest in early childhood
5 education and the Foundation is a dollar that's well-invested.
6 We feel like we can improve, we know how to improve the
7 quality of these children and their chance to be wage earners
8 and not ones to be on welfare or in a prison system. So it's
9 critical that we do that. I ask that you look favorably as we go
10 forward on other requests. We're a group that's willing to
11 continue to build units in every town and every county in
12 Southwest and Southside Virginia but you've got to help us
13 financially to make that happen. A great investment you're
14 making and what we'll be doing would help people be better
15 trained for their work in the daycare centers. Thank you.

16 DELEGATE WRIGHT: I'd like to make a
17 few comments. I appreciate the good job Mr. Davenport is
18 doing and maybe the questions I have are for the staff. I'm
19 sure like all other members I read all about in that thick
20 package that was sent out and I happened to notice on the
21 back of this one or this application it had a map of Virginia it
22 had marked in blue the currents marked beginnings presence
23 statewide. What brought my attention to it was that four out
24 of five counties in my district are not covered. They're right in
25 the center including Buckingham, Prince Edward, Charlotte,

1 and then the four I have Cumberland, Amelia and Lunenburg.
2 I noted in the staff report that over the past six years \$1.7
3 million in funding to develop this area. There's a reason this
4 area has not been served and why some do, I'd like to know
5 that. I'd like answers as to the reason for that for our area
6 being left out.

7 MR. DAVENPORT: That's a good
8 question and I've found I never leave home without an expert
9 by your side. So I'd introduce Karen Bowles.

10 MS. BOWLES: Thank you very much for
11 your consideration today. Thank you for your question. A few
12 years ago, your area was not shaded in blue but as you may
13 have read in the application this work/school readiness is
14 fairly complicated. It doesn't just involve family, it involves
15 state agencies as well as services and school systems and
16 businesses. When we come into a community, we try to pull
17 all of those players together to focus on improving early
18 education opportunities in that community. We did have
19 Smart Beginnings plan in that area. The skills that are
20 required for someone to continue to bring those people
21 together that have skills and a funding stream are difficult and
22 oftentimes hard to match. In the last couple of years, we've
23 kind of fallen back and you don't see it represented as having
24 a Smart Beginnings presence. What's been happening in
25 Southwest Virginia is we had multiple Smart Beginnings

1 partners usually encompassing a few localities. In areas that
2 are not well-resourced, it's kind of hard to have multiple
3 Smart Beginnings. What Southwest Virginia has done and
4 what we believe is a model for Southside is that they have
5 regionalized. Instead of having planned Smart Beginnings you
6 have Smart Beginnings Southwest Virginia and that allows
7 you to bring in an executive level person to manage it
8 regionally and it brings a higher caliber level of persons for
9 leadership. You're right to point out that in the heartland
10 we're not having a presence, but what we'd like to do would be
11 able to find a person who can regionalize Southside.

12 Speaking to the application the two
13 strategies that we highlighted and are improving the quality of
14 the early learning environment. So improving the quality of
15 the childcare facility Star Quality program and upgrading an
16 early childhood workforce. All that involves different funding
17 streams so to really have a program be a success in Southside
18 and we're grateful for you all recognizing possibly funding
19 that, we do need executive level coordination, which is what
20 your question speaks to.

21 DELEGATE WRIGHT: I appreciate that
22 because and you can note my concern but I also noticed in
23 the staff comments the proposal does not provide clear details
24 on the existing coalitions the localities serve and the
25 important thing here is the gaps in serving these areas.

1 You've identified the problem and I appreciate that but that
2 doesn't really help my area. I hope you will develop a plan for
3 this area because I think this would be one of the most
4 deserving areas in the state. You've pointed out the statistics
5 as far as childhood need and so all this is very important.
6 That's what I'd ask that you do.

7 MS. BOWLES: Absolutely.

8 DELEGATE WRIGHT: Work as hard as
9 you can to improve it and any way I can help, I'll be glad to do
10 that.

11 MS. BOWLES: I appreciate that and I'd
12 like to comment and you all have been a strong partner in
13 helping. We've had a strong partner serving as a fiscal agent
14 in that area that's still involved and we haven't been
15 completely with not engaging the community. They still
16 participate in the Virginia Star Quality Initiative individually.
17 They just don't have a Smart Beginnings coordinator there.
18 They can't access many of the same services without efficiency
19 and coordination on early childhood.

20 DELEGATE WRIGHT: We thank you for
21 everything you all do and I think you can understand why I'm
22 concerned for my area.

23 UNIDENTIFIED: Delegate Wright, I
24 appreciate you making that comment and I was going to
25 address it; that's a concern I had also and hopefully we can

1 put something together.

2 MS. BOWLES: We would love to have
3 this all corrected but it takes resources.

4 SENATOR STANLEY: Mr. Chairman, you
5 would agree with me that this area, especially the area, that
6 blue area Delegate Wright talked about here, we're talking
7 about children at this level a percentage rate of over 25% at
8 one in four children at or below the poverty rate in the
9 Southside region of the tobacco footprint? You would also
10 agree that because of that compared to other areas like
11 northern Virginia and Hampton Roads and Richmond that as
12 a result we have a much higher dropout rates for students
13 than in other areas in this tobacco region.

14 MS. BOWLES: Yes, absolutely.

15 SENATOR STANLEY: Would you say
16 there's a learning gap in terms of what education they have at
17 earlier levels in the more affluent places like northern Virginia
18 than what we're having right now?

19 MS. BOWLES: Yes. What my notes are
20 showing from our research, more than half the communities
21 in Southside have lower kindergarten literacy scores than the
22 state average and definitely higher dropout rates. If I may
23 point out, many of the programs that you are considering
24 investing in when I hear someone talk about working on adult
25 soft skills and communication skills for teamwork, those are

1 absolutely the skills that are developed in the early years of
2 life. When we give children an opportunity to have high
3 quality education and as far as the brain, that's where you
4 accomplish that and making investments later on in life when
5 they don't have skills to hold down a job, don't have
6 teamwork, it's a lot more difficult. The same with GED. When
7 you have children start kindergarten already behind and they
8 can't reach a reading level in third grade, it's a downward
9 spiral and you see significant dropout rates and then you end
10 up with problems. Before I stop, I do want to say for the six
11 years' investment from the Tobacco Commission, it was very
12 forward thinking six years ago to invest in early childhood.
13 This is an issue in the state. You've got the Chamber and
14 leaders like Ben Davenport and you've got major Virginia
15 corporations saying you can't wait until high school to invest
16 in your children. In this region, we believe our program to get
17 into these centers and not only train the teachers and make
18 sure the environment and curriculum is strong but while
19 you're doing that those children, the future workforce,
20 building their skill and you're uplifting current adults, you're
21 helping the current adults who are to teach and research
22 shows those interactions with students and teachers are really
23 critical, key things.

24 SENATOR STANLEY: Would you also
25 agree that a lot of these early childhood centers that the

1 difference between parents, single parents here in Southside
2 Virginia or Southwest Virginia that getting a job and then
3 having to pay for childcare is the difference and sometimes the
4 choice they're making, they entertain getting more money for
5 being on government subsidies and keeping the child in the
6 house and the difference in getting a job and settling in one of
7 your childcare centers and might come home with less money
8 and the choice then is without these centers, stay home and
9 stay on government subsidies and the child doesn't benefit
10 from any childcare.

11 MS. BOWLES: Certainly that's a point of
12 view. But the main factor is childcare is expensive but
13 regardless one of your points and as these people get these
14 jobs they are going to have to find something to do with their
15 children, whether it's a center or a family friend or regular
16 childcare, those adults if they're spending time with that
17 young child in their formative years must have the skills to
18 make the best use of their time or you'll be investing in it later
19 on.

20 MR. DAVENPORT: The real hands on
21 thing and what's really mindboggling I know in Danville where
22 it's made a big difference, you have training classes for
23 mothers that can't send their children to daycare and we can
24 teach them tricks about how to improve their child's IQ. We
25 know that from the time a child is born to the first three years

1 one quick comment. I hope the folks in the footprint and I
2 know we're starting off behind if we can spend a dollar to get a
3 two dollar return, I look at it like manufacturing. You have
4 raw material coming into our schools and if we can improve
5 the quality of the raw material coming in, you're going to have
6 a better product coming out. I think we need to as an
7 Education Committee of the Tobacco Commission, we need to
8 invest early on. We talk about workforce training, and we
9 keep talking about jobs but you don't have the raw material to
10 build, you're not going to get anywhere and you won't have
11 students at the end that are working.

12 DELEGATE WRIGHT: I understand the
13 comments were made and I thank you for those but I'd like to
14 have an assurance that every effort will be made to cover this
15 area and any measurement and if you look at the map, this
16 stands out and we're right in the middle.

17 MR. DAVENPORT: I can assure you as
18 Chairman of the Foundation, it will get attention.

19 DELEGATE WRIGHT: I appreciate what
20 you all are doing.

21 MR. DAVENPORT: I'll give you one
22 analogy. The head of the shipyard said we're working and
23 we're getting ready to put together the parts that are going on
24 the submarine and said if we fix a problem before it gets out
25 and before it gets in the submarine it saves millions and tons

1 of money and you can understand that but echoing what Don
2 said, if we can do a better job of preparing, we can do great
3 things down the road. And the Commission is one of the few
4 places that can do that, so thank you.

5 MS. BOWLES: Just to build your
6 confidence and I know you might be, you have a lot in front of
7 you but the Foundation was mentioned secured over a million
8 dollars from the Kellogg Foundation, a national foundation for
9 the Southside for a very intensive one-on-one work for families
10 and Southwest families. The Foundation itself is very
11 committed to the Southside and we're not going to walk away
12 from this regardless of whether you all fund it or not fund it.
13 In funding, it's not just about the dollars, it's about the
14 influence of the staff of the Commission statement you make
15 with your investment. Finally, I just want to say that we do
16 continue to invest some of our state appropriations in the
17 region. Southwest will be getting \$450,000 over the next three
18 years and we invest in Danville and Pittsylvania and
19 Martinsville and Henry. We are going to continue to fight and
20 we are going to continue the investment and we would
21 appreciate your partnership in it. Thank you.

22 SENATOR RUFF: What we'll do now is
23 we'll go back through those that we did not approve before
24 and we'll take them in a block unless someone requests a
25 project is pulled out. Maybe I was getting ahead. Does

1 anyone wish to speak to the VirginiaFIRST proposal? Again,
2 we'll go back through. If anyone wants to pull anyone out, the
3 staff recommendation, now is the time to do it. #3030, #3019,
4 #3018, #3027, #3020, #3016, #2849, I'm sorry, #3029 and
5 #3022 and #3012. Does anyone wish to pull any of those out?

6 All right. Is there a motion?

7 DELEGATE WRIGHT: I move we accept
8 the staff recommendation.

9 SENATOR RUFF: It's been moved and
10 seconded the staff recommendation on each of those be
11 accepted. All those in favor say aye. (Ayes.) Opposed? (No
12 response.) All right. New College Institute Southside
13 Partnership Technology Enabling Education, #1276
14 requesting an extension.

15 MR. PFOHL: Mr. Chairman and
16 members of the Committee, Friday afternoon we received a
17 request from the New College Institute for further extension of
18 grant #1276. It's a grant that's been funding programs and
19 other properties in Martinsville. It's not included in the staff
20 report because the staff report was issued a couple of days
21 before we received this request.

22 MS. CAPP: Mr. Chairman and members
23 of the Committee, an older grant which you approved back in
24 January of '07 and the award was for \$1.5 million. Two
25 different times since then you had extended the grant. The

1 first extension came in October 2010 and you extended it
2 through June of '13. The next extension came and that was
3 until December of 2014. In each of those extensions there
4 were revisions on the project and use of the grant funds from
5 the original proposal. Where you are right now on the project.
6 New College is requesting it will be the ninth year extension
7 and want to extend the project until October of this year. We
8 received a request from the college and the request in my
9 office is for \$220,000 and that extension is still December
10 2014. Assuming that is approved in full that would leave a
11 balance of \$292,722. Those are the grant funds the New
12 College is requesting be available during the extension period
13 with specific uses of the funds they propose. That will be in
14 support of their engineering and technology for Virginia State
15 University at this location and also the institute in Danville.

16 SENATOR RUFF: The motion is to
17 approve that extension until October of 2015, properly
18 seconded.

19 MR. PFOHL: I just wanted to say Sarah's
20 comments indicated that you previously extended this grant
21 through last December. In defense of New College, there was
22 an Education meeting scheduled at the January meeting so I
23 went out on a limb a little bit and granted them a grace period
24 until the Committee did meet today.

25 SENATOR RUFF: Any further

1 discussion?

2 DELEGATE WRIGHT: Why wasn't this
3 submitted in the regular cycle and have a staff
4 recommendation and everything with the rest of the
5 applications?

6 MR. PFOHL: It's an existing grant and
7 been in place for a number of years now so it's not competing
8 for a new request.

9 DELEGATE WRIGHT: My point is that
10 we don't have much time to look at it and think about it. I'd
11 prefer to have a little more notice.

12 MR. PFOHL: We received the written
13 request Friday.

14 SENATOR RUFF: Any further
15 discussion? All in favor say aye. (Ayes.) Opposed? (No
16 response.) Is there anyone that would like to make a public
17 comment at this time? This is an agreeable group,
18 something's wrong. If not, the Committee will be adjourned.

19

20 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 20, 2014 at 2:00 p.m. at the New College**
10 **Institute in Martinsville, 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 5th day of June,
15 2015.

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, 2018.

23 Notary Registration Number: 224566