

1 **TOBACCO REGION REVITALIZATION COMMISSION**

2 701 East Franklin Street, Suite 501

3 Richmond, Virginia 23219

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8 **Full Commission Meeting**

9 Tuesday, May 24, 2016

10 10:00 A.M.

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12
13 The Harvester

14 Rocky Mount, Virginia

- 1 **APPEARANCES:**
- 2 The Honorable Terry G. Kilgore – Chairman
- 3 The Honorable Frank M. Ruff – Vice Chairman
- 4 Ms. Gayle F. Barts
- 5 The Honorable Kathy J. Byron
- 6 The Honorable Charles W. Carrico, Sr.
- 7 Ms. Rebecca Coleman
- 8 The Honorable James E. Edmunds, II
- 9 Ms. Melissa Neff Gould
- 10 Mr. Charles Green
- 11 The Honorable Franklin D. Harris
- 12 Mr. John Holland
- 13 The Honorable Maurice Jones – Secretary of
- 14 Commerce & Trade
- 15 Ms. Cathy Lowe
- 16 The Honorable Daniel W. Marshall, III
- 17 The Honorable Donald W. Merricks
- 18 Mr. Robert Mills, Jr.
- 19 Mr. A. Dale Moore
- 20 The Honorable Edward Owens
- 21 Mr. Cecil E. Shell
- 22 Mr. Robert Spiers
- 23 The Honorable William M. Stanley, Jr.
- 24 The Honorable Thomas C. Wright
- 25

1 **APPEARANCES: (cont'd)**

2 COMMISSION STAFF:

3 Mr. Evan Feinman – Executive Director

4 Mr. Chris E. Piper – Deputy Executive Director

5 Mr. Timothy S. Pfohl – Grants Program Administration

6 Director

7 Ms. Stephanie S. Kim – Director of Finance

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

9 Southside Virginia

10 Mr. Benjamin Dawson – Assistant Grants Program

11 Administrator, Southside Virginia

12 Ms. Jessica Stamper – Assistant Grants Program

13 Administrator, Southwest Virginia

14 Mr. Jordan L. Butler – Public Relations Coordinator

15 Ms. Stacey Richardson – Executive Assistant

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17 COUNSEL FOR THE COMMISSION:

18 Ms. Elizabeth Myers, Assistant Attorney General

19 Richmond, Virginia.

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1 DELEGATE KILGORE: Good morning
2 everyone. Thank you all for coming and welcome.

3 MR. FEINMAN: Ms. Barts?

4 MS. BARTS: Here.

5 MR. FEINMAN: Delegate Byron?

6 DELEGATE BYRON: Here.

7 MR. FEINMAN: Mr. Cannon? (No
8 response.) Senator Carrico?

9 SENATOR CARRICO: Here.

10 MR. FEINMAN: Ms. Coleman?

11 MS. COLEMAN: Here.

12 MR. FEINMAN: Delegate Edmunds?

13 DELEGATE EDMUNDS: Here.

14 MR. FEINMAN: Ms. Gould?

15 MS. GOULD: Here.

16 MR. FEINMAN: Mr. Harris?

17 MR. HARRIS: Here.

18 MR. FEINMAN: Mr. Green?

19 MR. GREEN: Here.

20 MR. FEINMAN: Mr. Holland?

21 MR. HOLLAND: Here.

22 MR. FEINMAN: Secretary Jones?

23 SECRETARY JONES: Here.

24 MR. FEINMAN: Delegate Kilgore?

25 DELEGATE KILGORE: Here.

1 MR. FEINMAN: Ms. Lowe?
2 MS. LOWE: Here.
3 MR. FEINMAN: Delegate Marshall?
4 DELEGATE MARSHALL: Here.
5 MR. FEINMAN: Mr. Merricks?
6 DELEGATE MERRICKS: Here.
7 MR. FEINMAN: Mr. Mills?
8 MR. MILLS: Here.
9 MR. FEINMAN: Mr. Montgomery? (No
10 response.) Mr. Moore?
11 MR. MOORE: Here.
12 MR. FEINMAN: Delegate Morefield? (No
13 response.) Mr. Owens?
14 MR. OWENS: Here.
15 MR. FEINMAN: Senator Ruff?
16 SENATOR RUFF: Here.
17 MR. FEINMAN: Mr. Shell?
18 MR. SHELL: Here.
19 MR. FEINMAN: Mr. Spiers?
20 MR. SPIERS: Here.
21 MR. FEINMAN: Senator Stanley?
22 SENATOR STANLEY: Here.
23 MR. FEINMAN: Mr. Sutherland? (No
24 response.) Delegate Wright?
25 DELEGATE WRIGHT: Here.

1 MR. FEINMAN: You have a quorum, Mr.
2 Chairman.

3 DELEGATE KILGORE: Thank you. We
4 have several new members and new staff. I think it would be
5 a great idea if we start over here, Stacey and everyone come
6 around and introduce themselves so everybody knows who
7 everybody is.

8 MS. RICHARDSON: I'm Stacey
9 Richardson and I'm executive secretary but I also set up all
10 the meetings and make the arrangements for all the
11 connections and also work in the office in Richmond on
12 various other tasks that I'm assigned to do or that I volunteer
13 to help with Commission business.

14 MR. PIPER: I'm Chris Piper. I've been
15 with the Commission for two weeks. So my answer to your
16 questions are I don't know but I'll find out.

17 MS. KIM: I'm Stephanie Kim, Director of
18 Finance and I have been here since 2000.

19 MS. MYERS: Elizabeth Myers with the
20 Office of the Attorney General, Counsel to the Commission
21 and sometimes my answer is I don't know but I will find out.

22 MS. BARTS: I'm Gayle Barts, Pittsylvania
23 County. This is my first year on my second term and I work
24 part time for Delegate –

25 MR. SHELL: I'm Cecil Shell, Lunenburg

1 County tobacco farmer.

2 MR. GREEN: I'm Charles Green,
3 Assistant Commissioner of VDACS filling in for Secretary
4 Haymore.

5 MS. GOULD: I'm Missy Neff Gould from
6 Danville, a citizen member.

7 MR. MERRICKS: Don Merricks,
8 Pittsylvania County, citizen member of the Commission and
9 recovering politician and banker.

10 SENATOR CARRICO: I'm Bill Carrico
11 and I represent the 40th Senatorial District.

12 MR. SPIERS: Robert Spiers from
13 Dinwiddie County, a citizen member and also represent the
14 Virginia Farm Bureau and I've just been reappointed to the
15 Commission.

16 DELEGATE WRIGHT: I'm Tommy
17 Wright, Lunenburg County. I represent the 61st district in the
18 Virginia House of Delegates, Cumberland County to
19 Mecklenburg County.

20 MR. FEINMAN: I'm Evan Feinman,
21 Director of the Tobacco Commission and I've been here just
22 about a year so I'm getting to the point where I can answer
23 some questions.

24 SENATOR RUFF: I'm Frank Ruff. I
25 represent the 15th Senate District, which goes from Prince

1 George to Pittsylvania County.

2 DELEGATE KILGORE: I'm Terry Kilgore.
3 I represent the 1st Legislative District House of Delegates, Lee,
4 Scott, Wise and the City of Norton.

5 DELEGATE MARSHALL: I'm Danny
6 Marshall, a member of the House, City of Danville, parts of
7 Pittsylvania and parts of Henry.

8 DELEGATE BYRON: Good morning,
9 Kathy Byron. I represent the 22nd District, which is parts of
10 Franklin County, which is where we're sitting, part of
11 Lynchburg City, part of Campbell and parts of Bedford.

12 MR. OWENS: Good morning. My name
13 is Edward Owens, South Boston, Virginia. This is my second
14 year in my third term.

15 MR. JONES: Good morning, I'm Maurice
16 Jones. I think I'm the third member of the Lunenburg caucus
17 and now we've got the power.

18 SENATOR STANLEY: Good morning, I'm
19 William Stanley. I'm Senator for the 20th District, which goes
20 from Galax to Halifax, a little bit of North Carolina and in
21 Rocky Mount across the street in the farmers market but not
22 here, actually.

23 MR. MILLS: I'm Robert Mills, citizen
24 member Pittsylvania County and I'm also a tobacco and
25 poultry producer.

1 MS. COLEMAN: I'm Becky Coleman, a
2 citizen member from Scott County.

3 DELEGATE EDMUNDS: I'm James
4 Edmunds. I live in Halifax and I represent Halifax, Charlotte,
5 Prince Edward and part of Campbell. And I'm also a cattle
6 and grain farmer.

7 MR. MOORE: I'm Dale Moore. I live in
8 Campbell County and I'm involved in contracting business.

9 MR. HARRIS: I'm Frank Harris, citizen
10 member Amelia County, although I serve on the Board of
11 Supervisors.

12 MS. LOWE: Cathy Lowe, citizen member
13 from Abingdon, Virginia and like Mr. Harris, I serve on the
14 Abingdon Town Council.

15 MR. HOLLAND: I'm John Holland, a new
16 member from Franklin County. Welcome, everyone.

17 MR. PFOHL: Tim Pfohl, Grants Director
18 and sadly now the oldest staff member.

19 MS. CAPPs: I'm Sarah Capps, Southside
20 Grants Program Administrator.

21 MR. BUTLER: I'm Jordan Butler. I'm
22 Public Relations Coordinator and I've been here for a little over
23 thirty days.

24 DELEGATE KILGORE: All right, thank
25 you all. I'd also like to say that Ben Dawson, this is his last

1 meeting and he's been working with the Southside office.
2 Thank you for all you've been doing for the Commission and
3 we really appreciate it and we'll miss you. So let's give him a
4 hand. [Applause.]

5 Now, can I have a motion to recommend
6 the minutes?

7 DELEGATE MARSHALL: So moved.

8 DELEGATE WRIGHT: Second.

9 DELEGATE KILGORE: I have a motion
10 and a second to approve the minutes of 1/12/16. All those in
11 favor say aye. (Ayes.) Opposed? (No response.) The minutes
12 are approved.

13 All right, now we'll go to the election of
14 officers.

15 MR. OWENS: I move that we reelect
16 Terry Kilgore as Chairman of the Tobacco Commission.

17 DELEGATE MARSHALL: Second.

18 SENATOR RUFF: I'm going to ask for a
19 motion that the nominations be closed.

20 DELEGATE BYRON: So moved.

21 DELEGATE MARSHALL: Second.

22 SENATOR RUFF: All in favor say aye.
23 (Ayes.) Opposed? (No response.) Since there is no opposition,
24 I would say that the Tobacco Commission has just reelected
25 Terry Kilgore as Chairman. [Applause.]

1 DELEGATE KILGORE: Nominations for
2 Vice Chair.

3 SENATOR CARRICO: I nominate Senator
4 Frank Ruff as Vice Chairman of the Tobacco Commission.

5 DELEGATE MARSHALL: Second.

6 DELEGATE KILGORE: We have a motion
7 and a second to nominate Frank Ruff as Vice Chairman. Do I
8 have a motion that the nominations be closed?

9 MR. MILLS: Second.

10 DELEGATE KILGORE: All those in favor
11 of closing the nominations say aye. (Ayes.) Opposed? (No
12 response.) Then Frank Ruff is elected as Vice Chairman.
13 [Applause.]

14 Thank you. The first item on our agenda
15 is the Executive Committee, Frank Ruff.

16 SENATOR RUFF: Mr. Chairman, the
17 Executive Committee met on May 5th and there's several
18 actions that need to be taken by the full Commission. I would
19 move that the Commission or the first action is that the
20 Committee recommend to pay the salary, fringe benefits and
21 travel expenses for fiscal year 2017 for Mary Rae Carter in her
22 current capacity as Special Advisor for Rural Partnerships and
23 the cost not to exceed \$170,000 and I so move.

24 MR. OWENS: Second.

25 DELEGATE KILGORE: I would say that

1 \$170,000 is not just the salary. That covers the fringe
2 benefits and travel benefits. I wanted to make sure that's on
3 the record. All right, we have a motion and a second. Any
4 discussion? All those in favor say aye. (Ayes.) Opposed? (No
5 response.)

6 SENATOR RUFF: The next action is to
7 recommend the Committee or the Committee recommends the
8 hiring of Chris Piper as Deputy Director for the Commission
9 and I so move. Is there a second?

10 DELEGATE MARSHALL: Second.

11 DELEGATE KILGORE: I have a motion
12 and a second that we hire Chris Piper as the Deputy Director
13 of the Tobacco Commission. All those in favor say aye. (Ayes.)
14 Opposed? (No response.) All right, welcome Chris.

15 SENATOR RUFF: The next
16 recommendation is to transfer an unobligated balance
17 \$200,606 in the reserve account distribution in fiscal year '17
18 budget and I so move.

19 MR. OWENS: Second.

20 DELEGATE KILGORE: I have a motion
21 and a second to transfer those dollars. Any discussion? All
22 those in favor say aye. (Ayes.) Opposed? (No response.) That
23 motion carries.

24 SENATOR RUFF: Mr. Chairman, on page
25 68 there is a proposed fiscal year budget. If there's any

1 questions the Chairman will be delighted to answer them. If
2 not, I would move that we or that the proposed budget be
3 approved.

4 DELEGATE KILGORE: There is a motion
5 and I would note that Evan and Stephanie and when we drew
6 up the budget, the corpus invasion 4.4%. The reason they
7 drew up the budget of 4.4% is so that we can survive longer so
8 that we will have dollars to invest in our communities. With
9 the 4.4% and we believe and the Executive Committee believes
10 that would allow us to invest in the community. Not as much
11 as we have been but that we would be able to continue longer.

12 MR. FEINMAN: Mr. Chairman, this is
13 also reflected in the strategic plan. When we look at
14 projections the 4.5% corpus invasion year after year, we
15 implement somewhat aggressive for our loan fund and we
16 should be able to survive a pretty good funding level on a year
17 after year basis through the resumption of MSA payments,
18 which will put us on a stable track.

19 DELEGATE KILGORE: One thing we did
20 discuss in the Executive Committee and you'll notice the
21 interest earnings and that was an area of discussion in the
22 Executive Committee. We felt we should be getting more
23 interest on our money than \$11 million. I don't know exactly
24 what they came out to be but we'll have some discussion later
25 on about trying to increase that percentage and maybe before

1 the General Assembly session and maybe if we can see if the
2 statutes allow us to invest in some other type of investment
3 and we discussed that in the Executive Committee.

4 I think as far as salaries, benefits and per
5 diem, I think that's stayed about the same as what we had
6 been budgeting. Any other item on there that Stephanie or
7 Evan thinks we need to highlight to members of the
8 Commission?

9 SENATOR RUFF: Mr. Chairman, I'll ask
10 the question just for the record that if a major proposal came
11 forward, does this give us any ability to reach in the corpus?

12 MS. KIM: We can invade up to fifteen
13 percent with a majority vote but this is through June 30th, so
14 you're running out of time for this fiscal year. If we're into the
15 next fiscal year, then that would be a new year.

16 SENATOR RUFF: I just wanted to clarify
17 that.

18 DELEGATE KILGORE: A supermajority
19 vote is 2/3. All right, any other questions? The total budget
20 this year would be \$30,424,143. I have a motion and do I
21 have a second to accept the budget?

22 DELEGATE MARSHALL: Second.

23 DELEGATE KILGORE: I have a motion
24 and a second. Any more discussion? I just want to make
25 sure that for next year you all know what we discussed in

1 Executive Committee. All those in favor say aye. (Ayes.)

2 Opposed?

3 DELEGATE WRIGHT: No.

4 SENATOR RUFF: Mr. Chairman, the
5 next action we need to take is the fiscal year end is June 30,
6 '16. The Treasury board take from the endowment the sum of
7 4.4% of the endowment as of 2/28/16 and the payment be
8 made not later than June 30, 2016 and an amount so paid
9 not subject to restriction, which would match up with the
10 budget at this time. I so move.

11 DELEGATE MARSHALL: Second.

12 DELEGATE KILGORE: Why do we use
13 the 2/28, why?

14 MS. KIM: That's when we set up the
15 endowment with Treasury.

16 DELEGATE KILGORE: Any more
17 discussion? All those in favor of that motion say aye. (Ayes.)
18 Opposed? (No response.)

19 SENATOR RUFF: Mr. Chairman, there
20 were several proposals to change the TROF policy, which is on
21 pages five through eight, I believe. The first is to reduce the
22 minimum grant amount for a loan from \$50,000 to \$10,000.
23 This is to encourage more small businesses to look at
24 opportunities. The second step of that would be to offer loans
25 up to 150% of the calculated award amount based on the

1 incentive formula. The theory being rather than a direct grant
2 a loan would be at no interest that might be just as attractive
3 rather than trying to live within an extremely tight budget. It
4 might give them a little more room since it would be coming
5 back to the Commission and a little bit better advantage.

6 DELEGATE MARSHALL: Just for the
7 members here, that loan would not be to the company, it
8 would be through the locality and it would have the same rate
9 as a TROF agreement.

10 DELEGATE KILGORE: Still be able to if
11 the loan wasn't paid, in other words, we're still making sure
12 the locality does their due diligence.

13 SENATOR RUFF: The third one lowers
14 the threshold grants that must be approved by the TROF
15 Committee in excess of \$2 million, in excess of \$1 million. A
16 couple of years ago we changed it to avoid having too many
17 meetings and we gave the staff the authority to approve those
18 up to \$2 million and this sets it back to a million dollars and
19 have a little more control over or a better knowledge of what's
20 going through TROF. Mr. Chairman, if there's no questions or
21 if anybody wants to expand on those; if not, I'd move that we
22 approve it.

23 MR. GREEN: The language on page
24 seven was changed from two million to one million and the
25 next sentence the TROF Committee, the Executive Director in

1 conversation with the TROF Committee and that's one million?

2 DELEGATE MARSHALL: We did that
3 because we don't want to lose a deal and maybe the four of us
4 couldn't get together and we didn't want to lose a deal so
5 that's why we authorized Evan to if we couldn't get together
6 within six days that he go ahead and approve that.

7 SENATOR RUFF: Just to follow up on
8 that Mr. Chairman, if we couldn't get together, we could have
9 a conversation over the phone and make sure that everything
10 was proper.

11 DELEGATE KILGORE: The TROF
12 program has been a great program and for those of you on the
13 board it's been a very good program for us and it's a job
14 creation tool. If we're spending money with TROF, we're doing
15 something right. So we want to spend money in the TROF
16 program.

17 DELEGATE WRIGHT: On this particular
18 item, I want to make it clear it's not because I don't agree with
19 the concept but the director being, that he be allowed to
20 approve if the Commission can't get together.

21 DELEGATE MARSHALL: Just for the
22 new members, TROF consists of four members. You have to
23 have a hundred percent agreement.

24 DELEGATE KILGORE: That's correct.
25 And the reason that we used to is that a couple of years ago

1 we were talking about an attorney, we decided then we had to
2 meet and before we could spend money with TROF we had to
3 meet and that's why the current policy is in place because of
4 the four year requirement. We had to come up with a solution
5 at that time before we could act fast because these TROF
6 deals you've got to act fast because you may lose a project if
7 you don't. And that's why we allowed the Executive Director
8 some leeway to go ahead and approve those so we wouldn't
9 lose the deal.

10 SENATOR RUFF: If I moved it, but if not,
11 I'll move it again and I move those changes be made to the
12 TROF agreement and program.

13 DELEGATE MARSHALL: Second.

14 DELEGATE KILGORE: Any more
15 discussion? All those in favor say aye. (Ayes.) Opposed? (No
16 response.)

17 SENATOR RUFF: The next item is that
18 the Committee recommends to authorize the Executive
19 Director to find a resolution for the Optinet matter in
20 consultation with the Office of the Attorney General. And I so
21 move.

22 DELEGATE MARSHALL: Second.

23 DELEGATE KILGORE: For those of you
24 that are not familiar with Optinet, that's the VBU Optinet in
25 Southwest Virginia that involves Bristol and Southwest

1 Virginia and Evan's been on the ball and we have a meeting on
2 June the 1st at 2:00 in Roanoke to discuss that issue. And
3 this motion is to allow Evan to move forward and there's a
4 possibility of a pending sale of VBU Optinet. One of the grants
5 we gave to VBU Optinet has a claw back provision that we
6 want to make sure we're protected as a Commission in future
7 negotiations. I have a motion and a second. All those in favor
8 say aye. (Ayes.) Opposed? (No response.) That motion
9 carries.

10 SENATOR RUFF: A final action, the
11 Committee recommended an extension to June 30, 2017 for
12 grant number 2117, the Scott County EDA for the Daniel
13 Boone Wilderness Trail Interpretive Center and I so move.

14 DELEGATE MARSHALL: Second.

15 DELEGATE KILGORE: I have a motion
16 and a second to extend grant number 2117 for the Daniel
17 Boone Wilderness Interpretive Center. All those in favor say
18 aye. (Ayes.) Opposed? (No response.)

19 SENATOR RUFF: That concludes the
20 report from the Executive Committee.

21 DELEGATE KILGORE: Moving on, the
22 report of the Agribusiness Committee. Mr. Spiers?

23 MR. SPIERS: Thank you, Mr. Chairman.
24 The Agribusiness Committee did meet this morning and
25 handled one issue that we asked staff to research. The

1 material can be found on pages 12, 13 and 14 of our packet.
2 If you refer to page 14, and the Committee after discussion
3 approved and the Committee recommends a grant for the
4 Providence Farm Mushroom Incubator request. The number
5 is 3119 in the amount of \$173,000 and that's with conditions.
6 Those conditions are put forth on page fourteen and I would
7 move to make that recommendation to the Committee.

8 DELEGATE KILGORE: I have a motion
9 and a second. Any discussion on grant number 3119; that's
10 to award \$173,000 subject to the conditions enumerated on
11 page fourteen. The Executive Director will be making sure
12 that's done before money goes out the door.

13 MR. FEINMAN: Yes.

14 DELEGATE KILGORE: Any more
15 comments or discussion? If not, all those in favor say aye.
16 (Ayes.) Opposed? (No response.) Next Education Committee.

17 SENATOR RUFF: Mr. Chairman, the
18 Education Committee met on May 5th and this morning. On
19 page sixteen there's a list and on following pages the
20 explanation of those grant requests. I would move that all of
21 those except #3164 and #3154 be approved in a block.

22 DELEGATE BYRON: I would like to
23 request that #3159 be taken out of the block.

24 DELEGATE KILGORE: Does anyone else
25 have anything they wish to be taken out of the block or that

1 you have more questions? All right, no. We have #3164,
2 #3154 and #3159 taken out of the block.

3 SENATOR RUFF: I make a motion to
4 approve the remaining in the block.

5 MR. OWENS: Second.

6 DELEGATE KILGORE: Any more
7 discussion? All those in favor of approving what are
8 remaining the block say aye. (Ayes.) Opposed? (No
9 response.) That motion carries.

10 SENATOR RUFF: This morning, #3164,
11 which is Southern Virginia Higher Ed Center and we had
12 approved the original request of \$100,000 and working on the
13 recruiting of students for the nursing program, regional
14 nursing education programs I should say. At that meeting we
15 had not funded the marketing of that because we didn't agree
16 on the type of marketing. This morning we agreed to add
17 \$25,000 to that program and that recommendation for a
18 Tobacco Region marketing plan and trying to get young people
19 involved in understanding what is needed and focused on
20 what courses to be taken in either the high schools or
21 community colleges and how we can best communicate that
22 message to people, to young people or potential students. So I
23 would move that item number 3164 be approved at \$125,000.

24 DELEGATE MARSHALL: Second.

25 DELEGATE KILGORE: Any discussion

1 on 3164 and the grant amount now is \$125,000?

2 MS. GOULD: Mr. Chairman, I don't
3 know if Ms. Adams can address this. She mentioned a
4 shortage in the nursing program but I was wondering Betty if
5 you could tell us about the shortage that exists in the region
6 not just with the number of nurses need in other programs
7 are there unfilled slots in the nursing program?

8 DR. ADAMS: I'm Betty Adams, Executive
9 Director of the Southern Virginia Higher Ed Center. Missy, I
10 can't give you exact numbers but I can tell you that the
11 shortage exists across the spectrum of nursing positions
12 including Certified Nursing Assistant, PN, RN, BN and BSN.
13 We're hearing more about shortages for med techs. What we
14 intend to do with this grant is to gather together all of the
15 hospital and the community college folks and possibly the
16 high school people together and fully discuss what the needs
17 are. This is not just a problem in Southside Virginia, it's
18 across the nation.

19 DELEGATE MARSHALL: The marketing
20 plan that, it's not a marketing plan just for Southside
21 Virginia?

22 DR. ADAMS: No, it will recruit students
23 into all of the nursing programs across the footprint and
24 includes Southside Community College as well as Danville
25 Community College and I would assume it would also help

1 Averett and Longwood.

2 DELEGATE MARSHALL: When will that
3 marketing plan be available and on the street?

4 DR. ADAMS: We won't know that until
5 we get the group together and we select a consultant and we
6 got on with it but the need is critical. We are receiving calls
7 from hospitals saying we've got to do something. Southside
8 Virginia Community College has had their hospital call them.
9 The need is great and through our AHEC coordinator in South
10 Boston, we are reaching out to K through 12 students and this
11 should be a long-term strategy. It's not like we haven't been
12 doing anything. We are doing that.

13 DELEGATE MARSHALL: Is your goal to
14 have this marketing plan set up by December or January?

15 DR. ADAMS: I would say as soon as
16 possible now that we've gotten the grant approved, we will
17 move into action.

18 DELEGATE KILGORE: We have a motion
19 and a second to approve the \$125,000, #3164. Any more
20 discussion? All those in favor say aye. (Ayes.) Opposed? (No
21 response.) All right, moving on to #3154.

22 SENATOR RUFF: Mr. Chairman, #3154
23 Southwest Virginia Higher Ed Center foundation deals with
24 clinical laboratory science Phase II request was \$175,000 and
25 we had agreed to \$43,106. They came before us today with a

1 request for an additional \$18,000. So I'd move that that be
2 approved to increase that amount to the action was to
3 increase that amount to \$61,106 and I'd so move.

4 SENATOR CARRICO: Second.

5 DELEGATE KILGORE: A motion and a
6 second, any discussion on that? All those in favor say aye.
7 (Ayes.) Opposed? (No response.) All right, thank you. That
8 motion carries \$61,106. Now #3159.

9 SENATOR RUFF: I would move that be
10 approved.

11 DELEGATE BYRON: I'd like some
12 discussion on that. Is there someone here that can speak to
13 it?

14 DELEGATE KILGORE: #3159, page 23,
15 bottom of the page.

16 DELEGATE BYRON: I've been through
17 the description. I know it's always enticing to have federal
18 money out there to attract different things but can you tell me
19 a little bit more about how the monies will be spent and a little
20 bit more about the program?

21 MS. STEVENS: The entire budget or the
22 Tobacco Commission funding we requested?

23 DELEGATE BYRON: Our money
24 complements the rest of it, just an overview, please.

25 MS. STEVENS: Just to give you a little

1 bit of background, the Virginia Advanced Strategies is in a
2 project with the U.S. Department of Education and that has
3 been implemented in six rural school divisions including
4 Halifax, Charlotte, Prince Edward, Cumberland, Henry and
5 Martinsville.

6 We have been working very diligently over
7 the last three and a half years identifying basically the math
8 that is required for the technician level jobs in this area. We
9 know based on our work and there's probably a lot of people
10 here in this room can attest to that. We have a major problem
11 in Virginia with our students being able to leave high school
12 and successfully pass the math placement test to be able to go
13 on to the community college or do well in a four year school.
14 So we have really looked at efforts to make math more
15 relevant for students and help them understand the
16 applications so they are better able to be successful in
17 pursuing the training that's going to be necessary for the
18 technician level jobs and not just the four year schools.

19 The work we've been doing for the past
20 three and a half years with the federal government is now
21 being leveraged to go forward with another three projects.
22 Investing in innovation, \$3 million and the required match is
23 15% and we've come to the Tobacco Commission to ask for
24 part of that 15% match, which is \$250,000. With that, we will
25 be able to put up the rest of the match with our own funds.

1 That makes the match \$450,000 for the federal government
2 grant. The work we will be doing will be to further be able to
3 help students in this region and the much larger region.
4 We've just been working in the six school divisions for the past
5 few years and we're now looking to 26 school divisions in
6 Southwest and Southside Virginia. And to be able to help
7 math teachers to put into practice more strategies to teach
8 math in an applied way. Then also working to help students
9 with actual prep sessions that would help them prepare for
10 the math placement test as well as the National Career
11 Readiness Certificate testing.

12 We do anticipate with your funds and
13 with the Department of Education funds that we will be able
14 to help at least 400 students in the region take the National
15 Career Readiness Certificate. We're looking to have about 400
16 new credentials come out of this project.

17 DELEGATE BYRON: I don't question the
18 fact that we have issues with math scores, not only in the
19 Southside rural areas but pretty much across the
20 Commonwealth there have been areas identified. What
21 concerns me a little bit that I'd like to hear about if you had
22 total buy in from the different localities as to what you plan on
23 doing in their district. In talking to school boards and I read
24 something about curriculum, will this only be for 400
25 students based on one year or two years and what happens to

1 the program after that. Then another question would go back
2 to because of an area that we haven't really gone into, does it
3 open some broader areas education-wise that we haven't
4 delved into. The Department of Education, have they come to
5 you to the General Assembly or tried to put it into the budget
6 or their budget? It would seem like if we're doing this in the
7 school district that that would be part of the responsibility of
8 the Department of Education to deal with this.

9 MS. STEVENS: Honestly, we don't have
10 any power to change legislation at this point as to what the
11 requirements are for high schools and middle schools and
12 what must be taught as part of the Standards of Learning, the
13 work we're doing is to help teachers really change their
14 strategies for teaching math material. The material hasn't
15 changed and there's nothing wrong with the material being
16 taught. It's the way teachers are teaching the material where
17 we're really teaching more toward the test and Standards of
18 Learning rather than helping students understand how math
19 applies in the real world. If you can have a student truly
20 understand how he's going to use math, not just saying you're
21 going to need this for the next level of math but be able to say
22 to him this is how a welder would use this math, this is how a
23 physical therapy assistant uses math, this is how a machinist
24 would use this math, then it makes the math more meaningful
25 to the student and helps the student want to put forth the

1 effort and understand the relevant and be able to go on and
2 pursue the certification that he will need to get a job.

3 This is a four year grant program and
4 we're not just going to be impacting 400 students and we
5 anticipate about having 400 students take the National Career
6 Readiness Exam but with the forty teachers we will be working
7 with in this rural math network, we anticipate impacting as
8 many as 12,000 students over those four years.

9 DELEGATE BYRON: Have you been in
10 front of the school boards?

11 MS. STEVENS: No, we have not. We are
12 just in the stages of applying to the U.S. Department of
13 Education for these funds. We have a good reputation in the
14 state for the work that we have done and many of these school
15 divisions we have worked with in the past with our prior
16 project that the Tobacco Commission helped fund and that
17 was the Advanced Placement initiative with 75 school
18 divisions across the state.

19 We also have quite a bit of support from
20 the Virginia Department of Education and a lot of the work
21 going on in the state right now is very focused on career
22 readiness and credentials. So the path that we're on with this
23 project and what we've been doing over the past few years is
24 very well supported. Our next plan would be to get the
25 support of the school divisions. We're going to be working

1 with teachers. If you read the full proposal, one thing we have
2 learned over the past several years is that you have to start
3 with teachers who are ready to implement and ready to do
4 things differently. Many teachers, whether it's because they've
5 been teaching so long or they feel they don't have the support
6 to be able to do things differently in the classroom, it's very
7 difficult to get teachers to change what they're doing if they're
8 not ready for that. We'll be working with teachers through
9 self-selecting and also working with principals who are ready
10 to support that and provide training and support for them to
11 try to move forward. We won't be trying to take every teacher
12 in every school division and change what they're doing. We're
13 starting with a couple of teachers in each school division in
14 the math department and from their work it will be able to
15 spread to their colleagues.

16 DELEGATE BYRON: Can you tell me if
17 there's anyone else that you've gone to for funding requests for
18 this grant?

19 MS. STEVENS: We are putting up
20 \$200,000 of funds that we have in hand at this moment.
21 We're not really ready to talk about it exactly who we've gone
22 to for some other requests but we don't anticipate needing
23 more than 15% match and with the Tobacco Commission
24 money and money we have in hand, we will have the
25 anticipated match to be able to move forward.

1 DELEGATE BYRON: What about the
2 Department of Education?

3 MS. STEVENS: The Department of
4 Education won't be able to give state funds for that.

5 SECRETARY JONES: I think you
6 received money in 2013 from the Tobacco Commission?

7 MS. STEVENS: The Tobacco Commission
8 provided some match money for the current I3 project that
9 we're working on.

10 SECRETARY JONES: Do you have
11 results, how do we know you're good?

12 MS. STEVENS: We are actually about to
13 publish our final evaluations. If you all are familiar with our
14 project, we are very heavily evaluated by external evaluators
15 and for the current project. That's with SRI International.
16 We're currently waiting for the final report but I can report to
17 you that implementation was extremely high this past school
18 year. Part of the work we did was having teachers be able to
19 assign online math homework to get away from the traditional
20 paper and pencil task. It also increased students' motivation
21 to do the homework and really understand how math was
22 helpful to them across the board and not just in math but in
23 other STEM courses. The implementation was very high and
24 we're very happy with what we've seen so far.

25 DELEGATE BYRON: I just want to speak

1 to the grant, thank you very much. The only thing that
2 concerns me with this, we've been doing a lot of work with
3 workforce training and workforce development, which
4 certainly has started with the high school and now we're
5 starting to get into the younger issues going on in public
6 education and we have a lot of issues that are even beyond
7 that. We have other subjects in the STEM field that need
8 work. I have three teachers in my family that I discuss the
9 issue with and I try to, one of them is a STEM teacher
10 specialist in Newport News that goes out and teaches teachers
11 but it's within that school district and it's underneath the
12 umbrella of the school board and the folks that are involved in
13 that. I don't see anybody here that is coming from this area
14 that are saying yes, we want this or yes, we're going to give our
15 teachers time off to get the training that they need or how is
16 this going to be developed into the classroom. I have some
17 concerns with a lot of unanswered questions dealing with the
18 scope of this. I certainly agree with the issue.

19 DELEGATE KILGORE: Now, we had a
20 motion grant #3159, do we have a second? All right, we have
21 a second, a motion and a second. Any more discussion? All
22 those in favor of grant #3159 say aye. (Ayes.) Opposed?

23 DELEGATE BYRON: No.

24 DELEGATE KILGORE: Thank you.

25 SENATOR RUFF: Mr. Chairman, that

1 completes the action of the Education Committee.

2 DELEGATE KILGORE: Thank you,
3 Frank, and let me just make a comment here. We just
4 awarded \$1.4 almost \$1.5 million and I'd ask the
5 Commissioners to get that word out what we're doing in
6 education and let folks know whether it's a press conference
7 and getting something out and it may reach some students.
8 So let's get the word out on the good work we do.

9 MR. FEINMAN: We now have Jordan
10 with us on our staff and he will be sending out a number of
11 press releases after this meeting.

12 DELEGATE KILGORE: Jordan and I
13 talked about that earlier and it's a great idea to get the word
14 out and dealing with the amount of money that we're devoting
15 to education, I think it's a good idea.

16 DELEGATE MARSHALL: I don't want to
17 assume anything but I assume the members of the board will
18 get that press release information also and that way you'll
19 make it easy for us to –

20 MR. BUTLER: Yes.

21 DELEGATE KILGORE: All right, Delegate
22 Kathy Byron, R&D.

23 DELEGATE BYRON: Thank you, Mr.
24 Chairman. Our R&D Committee have been working very hard
25 and I'd like to commend the members who have spent hours

1 looking at new guidelines that we've worked on for the last six
2 months and changing the vetting process that we had in place
3 and that contract expired and opening R&D for business
4 again. So I have three recommendations that has come out of
5 the work we have done. One, the Committee recommends
6 adoption of the guidelines, which are located on page 28 of
7 your book, one through five and guidelines for continuation
8 funding and those are for active R&D projects. We really
9 haven't changed or deleted anything in the policy and relative
10 to opening the cycle again, these are for active R&D projects
11 and have only received one previous grant award that are
12 getting closer to commercialization. So the Committee
13 recommends adoption of proposed guidelines continuation
14 funding for active R&D projects that are listed in the book on
15 page 28 and I so move.

16 DELEGATE KILGORE: Any discussion?
17 We have a motion and a second. All those in favor say aye.
18 (Ayes.) Opposed? (No response.) That motion carries.

19 DELEGATE BYRON: Thank you, Mr.
20 Chairman. We also looked at the proposed SBIR funding
21 guidelines and the SBIR funded projects are federally funded
22 projects that are vetted by different agencies and groups.

23 DELEGATE KILGORE: And that means
24 small business innovation –

25 DELEGATE BYRON: SBIR, which we

1 heard a lot of testimony on about some grants we've already
2 given that were recipients of SBIR funding. They'd actually be
3 doing the vetting and they would go and receive a grant from a
4 federal agency or SBIR phase one. When they go back and
5 apply for their phase two funding, they will be available to
6 come to the Committee and put in an application and that's
7 contingent on receiving that funding before they would be
8 eligible to get funding from us. We believe this is a new venue
9 that would open some opportunity throughout the region. So
10 I move recommendation of the Committee on the adoption of
11 those guidelines.

12 MR. OWENS: Second.

13 DELEGATE KILGORE: Any discussion?
14 All those in favor of approving the SBIR funding guidelines say
15 aye. (Ayes.) Opposed? (No response.) That motion carries.

16 DELEGATE BYRON: Finally, the
17 Committee recommended an extension for the Dan River
18 Business Development Center, grant number 2282, which is a
19 tobacco biomass for biofuel production, ethanol and biodiesel
20 through June 30th of 2016 and I so move.

21 DELEGATE KILGORE: We have a motion
22 and a second to approve that extension through June 30th. All
23 those in favor say aye. (Ayes.) Opposed? (No response.) That
24 motion passes.

25 DELEGATE BYRON: That concludes the

1 Committee report.

2 DELEGATE KILGORE: Next is Southside
3 Economic Development. Delegate Wright?

4 DELEGATE WRIGHT: Thank you, Mr.
5 Chairman. Our Committee met on May 5th and please turn to
6 page thirty and we have seven items there. #3144, #3149,
7 #3143, #3150, #3146, #3148 and #3145, all those were
8 recommended also including four other items under other
9 business listed on page 36 through 38, which would be grant
10 numbers #2192, #2688 and #2688 is the Cumberland County
11 IDA, grant #3130 and #2466. The staff recommended these
12 proposals and the Committee approved them and I so move.

13 DELEGATE KILGORE: Does anyone
14 need any taken out of the block?

15 SENATOR STANLEY: #3149.

16 DELEGATE KILGORE: #3149.

17 DELEGATE WRIGHT: Then we move the
18 adoption of these.

19 DELEGATE KILGORE: The remaining
20 block, all right, I've got a motion and a second. And those also
21 include the other business grants. Any discussion? If not, all
22 those in favor say aye. (Ayes.) Opposed? (No response.) That
23 passes. Now we go back to #3149.

24 SENATOR STANLEY: Mr. Chairman, if I
25 may, I don't want to be inconsistent because that's in my

1 district. I don't know why when and you consider 5.2 miles
2 and a couple of hundred thousand dollars, we can put it
3 somewhere else to create jobs. An economic opportunity for
4 our area having watched the WOD built in Northern Virginia.
5 I just don't see this is a funding priority for this Commission.
6 So I wanted to put that on the record. I'm not going to vote
7 against it for now but I just think we could better spend our
8 money, the people's money in creating jobs for our area. I
9 don't think much for small business job creation here.

10 DELEGATE BYRON: I move we approve
11 grant #3149.

12 MR. OWENS: Second.

13 DELEGATE KILGORE: We have a motion
14 and a second to approve grant #3149. Any more discussion?
15 All those in favor say aye. (Ayes.) Opposed? (No response.)
16 Thank you. Special Projects, Delegate Marshall?

17 DELEGATE MARSHALL: Thank you, Mr.
18 Chairman. If you look on your desk there's a sheet with some
19 yellow indications on it. Active megasite grants asking for
20 extensions and then below that other Special Project grants
21 and extensions and that's on page 39. The Committee met
22 yesterday and the Committee recommended approval for time
23 extensions megasite grants numbers #2487, #2266, #2489
24 and #2268. Then two Special Project grants numbers #1665
25 and #2150 as shown in the handout. I so move.

1 MR. OWENS: Second.

2 DELEGATE KILGORE: And that's in the
3 case you had assurances you had moving forward.

4 DELEGATE MARSHALL: Part of the
5 problem is the federal government that is restricting approval
6 of permits. I think the positive side is they're not just going
7 out and spending money, sitting on money waiting for
8 approval so they can get these megasites prepared.

9 MR. SPIERS: Mr. Chairman, Delegate
10 Marshall may have misspoke on it. #22, he may have said
11 eight instead of #2266. The only clarification since the
12 individual taking the minutes, they have the minutes.

13 DELEGATE MARSHALL: #2266.

14 DELEGATE KILGORE: So it should be
15 #2266. I've got a motion, is there a second?

16 DELEGATE BYRON: Second.

17 DELEGATE KILGORE: Any more
18 discussion? All those in favor say aye. (Ayes.) Opposed? (No
19 response.) All right, that motion passes.

20 DELEGATE MARSHALL: That's it.

21 DELEGATE KILGORE: Next is the
22 Strategic Planning Committee.

23 MS. COLEMAN: We've been working very
24 hard on that and we have the document in front of you in your
25 packet. There's two aspects to this plan, the internal aspect

1 and the operation and the external. This covers operations,
2 strategic and funding priorities among other things and we
3 went into the key funding priorities and the program outputs
4 and goals and general funding policies. I think it's very self-
5 explanatory if you take time to go through it.

6 Also, we held two summits, which were
7 very well-attended and we appreciate that; one in Southside
8 and one in Southwest, at least a hundred people in each one
9 and possibly more and our strategic partners and
10 stakeholders and we got a lot of comments and valuable
11 information. And all of that is reflected in the document. We
12 looked at this document until our eyes were crossed. It was
13 very interesting to hear the comments and I'll turn it over to
14 Evan.

15 MR. FEINMAN: We had quite a review of
16 the document and I believe Delegate Marshall found one
17 additional change that's worth making.

18 DELEGATE MARSHALL: Page 62 in your
19 packet, meeting schedule. It says the Commission's May
20 meeting is held in May and the Commission's September
21 meeting is held in September.

22 MR. FEINMAN: We modified that and the
23 proposed change maybe should say the Commission's May
24 meeting and maybe we should say the Commission's spring
25 meeting is in May and the Commission's fall meeting is in

1 September.

2 DELEGATE BYRON: And the winter
3 meeting?

4 MR. FEINMAN: Yes, we'll change
5 January to the Richmond meeting.

6 DELEGATE KILGORE: Is that a motion?
7 All those in favor say aye. (Ayes.) Opposed? (No response.)
8 That motion carries.

9 MR. FEINMAN: Otherwise there are a
10 number of significant policy changes reflected in this
11 document. I don't know unless there's a real sense with the
12 full Commission that we need to walk all the way through it.
13 You've got it in front of you to read at your leisure.

14 MS. GOULD: I'll just say to the
15 Commission we've presented this to the Executive Committee
16 at the May 5th meeting and there were enough substantive
17 changes that we had another meeting, planning meeting. The
18 members of the Executive Committee are very familiar with
19 the document but there might be members that are not on one
20 of the Committees that might have some questions.

21 DELEGATE MARSHALL: The South
22 Boston meeting we had and also the meeting held in Abingdon
23 and there were quite a few people.

24 MR. FEINMAN: Fundamentally, it lays
25 out our course for the next two years, not next year's May

1 meeting but the May meeting thereafter we'll have an update
2 to this plan. This clarifies things like our budget and fiscal
3 management strategy and making things sustainable and also
4 includes prioritization of the areas in which we work right off
5 the bat. It includes a description of our committee structures.
6 And the charts that you can see and several thereafter a
7 recognition that we have a much more metric-driven and
8 targeted strategy and we're going to be holding applicants
9 accountable both in their application and during their
10 evaluation and a final report to a set of firm metrics. We've
11 enshrined the most critical parts of our general funding
12 policies in this document so that rather than the staff having
13 to say these are our funding policies, these are funding
14 policies that the Commission has approved; then you can tell
15 people, for example, you can't use funds outside of the
16 Tobacco Region or we won't finance endowments or we won't
17 be used to finance endowments or debt retirement or things
18 like that that hadn't been previously blessed by the
19 Commission. We described the loan fund and meeting
20 schedules and budget and fiscal management. There's really
21 quite a bit here and our data strategy and in fact we're going
22 to maintain a good and robust database management system.
23 Then at the very end there we have, those are things that we
24 felt made sense and if somebody wants to do their reading.
25 And all those will be linked to us internally.

1 We also did determine that not the best
2 use of funds in 2016 is necessarily go out to the print shop
3 and have it beautifully bound but I think we can put it on the
4 website and there wasn't a need to spend a whole lot of money
5 to print it and it will be available digitally.

6 SENATOR RUFF: Are there any further
7 questions?

8 MS. COLEMAN: I move adoption of the
9 Strategic Plan.

10 MR. OWENS: Second.

11 SENATOR RUFF: It was properly moved
12 and seconded, any further discussion? All right, hearing
13 none, all in favor say aye. (Ayes.) Opposed? (No response.)

14 DELEGATE BYRON: I think staff was
15 supposed to come back with a date for R&D.

16 MR. PFOHL: We will post an
17 announcement probably the second half of July. We've got to
18 give some folks some time to put their applications together.

19 DELEGATE BYRON: Will there be
20 something marketed, new marketing now that we'll put out
21 that we are actually open for business and accepting
22 applications?

23 MR. PFOHL: Absolutely.

24 DELEGATE BYRON: Thank you.

25 SENATOR RUFF: I would point out the

1 Committee assignments are on page 72. Is there any other
2 business before we go to the public comment period? Is there
3 anyone in the public that wishes to speak to the Commission?
4 Seeing no one rise, and there's no further business, we are
5 adjourned.

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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 **Tobacco Region**
7 **Revitalization Commission Full Commission hearing when**
8 **held on Tuesday, May 24, 2016 at 10:00 a.m. at The**
9 **Harvester in Rocky Mount, Virginia.**

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

13 Given under my hand this 5th day of June,
14 2016.

15
16 _____
17 Medford W. Howard

18 Registered Professional Reporter

19 Notary Public for the State of Virginia at Large

20
21 My Commission Expires: October 31, 2018.

22 Notary Registration Number: 224566