

Approved March 20, 2002

MINUTES

Southside Economic Development Committee

December 20, 2001; 9 a.m.
General Assembly Building
Senate Room A

Members Present

Mr. Arthur
Secretary Lief
Mr. Taylor
Ms. Thomas
Senator Ruff
Mr. Walker
Delegate Clement

Also Present

Mr. Lawson
Mr. Watson

Delegate Clement opened the meeting at 9:00 a.m.

Mr. Currin called the roll.

Senator Ruff made a motion to approve the minutes from the October 18, 2001 meeting of the Committee.

Motion seconded

All in favor by aye vote

None opposed

Motion passed

Delegate Clement introduced former Governor Gerald Baliles, Chairman of the Patrick County Education Foundation.

Governor Baliles spoke to the Commission regarding the Patrick County Education Foundation's application for funding from the Commission. The Foundation is requesting \$81,000 from Patrick County's economic development allocation. In the last couple years the economies of rural Virginia have suffered greatly. The traditional three "t's" economy, present in much of the region- tobacco, textiles and timbers- is disappearing or in the process of disappearing. This is the case in Martinsville and Henry County as well as jurisdictions surrounding them. Patrick County has 19,000 people. Many of the jobs lost in Henry County were held by

residents of Patrick County. The necessary jobs do not exist in Patrick County. Any new manufacturing job that can be brought to the area is not guaranteed to stay because the people around the world can provide the skills to do the labor at less cost. In the past, education was not a required skill set for the types of jobs held in these communities. When we are trying to attract new industries and companies that require a more advanced skill set to these regions, unless we change the culture of the counties and put a greater premium on education, these areas are going to continue to sustain economic damage to the detriment of the people, especially the young people. Patrick County is trying to address this situation with the Education Foundation.

The Foundation has a three-legged stool approach. The first leg is aimed at the adult population, over age 19, that does not have a high school diploma. Patrick County has a very high rate of adults without High School diplomas, out of 130 jurisdictions Patrick County ranks 112th or 114th. The Foundation's goal is to cut that in half in 10 years. The goal of the counties is to move up to the top 5 rural counties in the state. The retired teachers are ready to go out into the communities and help the adults get their GED. The Foundation will try and provide these people with some economic incentives, such as help with their property taxes. This will help attract new businesses and will set a good role model.

The second leg of the stool is college access. Patrick County does not have a large number of its High School graduates going on to college. There is often little understanding of how to get into college or have your education financed. The percentage of students taking the SAT in Patrick County is often around 30 percent. The Foundation has brought on board a financial aid counselor who has met with most of the High School seniors already. They are now beginning to work with the 9th graders. The idea is to start with the 9th grade and tell them that if they are able to maintain at least a 2.5 grade point average, will have a 90 percent attendance record and will stay out of legal trouble and off drugs, the Foundation will help the student find the money to go to college. They will fill whatever gap is left in the student's financing capabilities, up to \$1,500. They are now meeting with High School seniors to help them prepare for the SAT's and work on their college applications. They are also working with a consortium of eight colleges, in efforts to help the students gain access to financial aid as well as to the college classes. It is too often the case that the counselors in the school are too busy dealing with the problem students that the students with potential may not get the attention they deserve.

The third leg of the stool is a workforce initiative. The Foundation hopes to build on the existing programs, putting a great deal of focus on vocational education programs, information technology, computer repair, heating, plumbing, and air conditioning. They have put together a board of 15 members-membership included in the funding application. These members can be broken down into three main components, local government (Chairman of the County Board of Supervisors, County Manager, Public School Superintendent, School Board Chairman and County Economic Development Director), prominent local citizens (Former Attorney General Mary Sue Terry, Walter Rugaber, Dr. Richard Cole, Annie Hylton, Harold Slate) and non-county residents with

ties to the area (the Former Governor himself, former national school superintendent of the year, Virginia superintendent of the year, retired Air Force General, Executive Vice President of American Electric Power of Columbus, Ohio). The Executive Director of the Foundation is Gerald Cooper, former executive director of the Tidewater Scholarship Foundation, who grew up in rural Virginia.

The Foundation currently has two employees. The funding designated in the application is primarily for the college access program and to help complete their work on the GED program.

Also present today is the County Manager, Mr. David Hoback and Mr. Cooper, the Foundation Executive Director. Mr. Hoback can attest that the County Board of Supervisors and the School Board have adopted strong resolutions of support for the Foundation and have allocated funding within their budget for the Foundation.

Senator Ruff applauded the Foundation for its efforts. He then noted that education was an issue that has held back much of their regions for a long time. The Commission has tried to address this problem by putting money into the Community College system and the Literary Foundation. The Senator voiced concern over how the Commission will handle advancing the educational opportunities in one county and then receiving requests from all the other counties for the same type of projects.

Governor Baliles responded that the Foundation is seeking funding from the allocation already set aside for Patrick County. If other counties were to request funding for similar projects that would be great. In fact, the Foundation is making a point to make copies and models of their documents throughout the development process to enable another county to replicate.

Senator Ruff then asked **Mr. Currin** what the Commission's timeframe was for economic development applications.

Mr. Currin replied that the applications are due January 15th.

Secretary Lief stated that workforce training is a critical issue and that he applauds these efforts. However, as many different programs are developed, there arises a need for order and unity amongst the various programs. To what extent is the Foundation creating a program that is going to be working along side these other programs or one that will be integrated with the others?

Governor Baliles responded that the Foundation is not interested in reinventing the wheel or creating a program that is duplicative of others that are out there. They are looking to develop a program that adds some bells and whistles to existing programs and additional emphasis on marketing the initiative. The GED program is another example of the Foundation working to expand an existing effort. Though there are GED programs in many of our counties, their budgets are unchanging through the years. **Governor Baliles** added that there is no time to waste.

Senator Ruff stated that the Commission has established rules including a date of January 15th for the receipt of funding applications. If they begin making exceptions now it will be difficult not to in the future.

Delegate Clement responded that it is his understanding that the Foundation simply wants a commitment from this Committee and subsequently the full Commission for when the applications are reviewed.

Governor Baliles added that the Foundation is not asking for any exceptions to be made on their behalf. They are asking for assurance from the Commission to provide them a leveraging point with national corporations and foundations.

Delegate Clement continued that many of the counties currently have carry-over funds. It may be proper for the Commission to release a portion of Patrick County's carry-over funds to the Foundation.

Secretary Lief responded that it is his belief that if the County is in support of the project and the use of the County's allocation for the project, we should try and get the funds to them as quickly as possible.

Mr. David Hoback, Patrick County Manager, reinforced that the Patrick County Board of Supervisors is 100 percent behind the Patrick County Education Foundation. They have passed a resolution in support of the Foundation. Also, the reason why there is \$85,000 carry-over in Patrick County's allocation is because they had originally included the Foundation as an application from the County, however, it was not ready at that point.

Mr. Gerry Cooper continued that 66 percent of the students in the Patrick High School have a 2.5 grade point average or better, which is the requirement to be involved with the Foundation. The Foundation would like the Commission's help in providing these students last dollar awards, meaning that after the students and families have gotten all the federal and state funds available, the Foundation will provide a certain amount to make up the difference.

Delegate Clement asked if it would be helpful to the Foundation if the Commission went ahead and awarded the carry over funds with the remaining portion of the request to come before the committee after the January 15th deadline.

Mr. Cooper replied that it would be helpful enabling the Foundation to make commitments to the students in good conscience.

Senator Ruff stated that he does not disagree but is concerned that they have publicly announced that January 15th is the deadline for applications. He would feel more comfortable with passing a motion of support for the project contingent on there being no other competing applications from the County.

Mr. Walker asked if there are any income requirements or need based criteria for eligibility for this assistance.

Mr. Cooper replied that the students must file federal financial aid forms and show a clear need.

Governor Baliles added that the Foundation helps the students work with the financial aid officers at the colleges when they apply to get all monies they are eligible for.

Mr. Walker asked if tobacco related families received any extra assistance.

Governor Baliles and Mr. Cooper replied no.

Delegate Clement asked for a motion.

Senator Ruff moved that the Committee make a recommendation to the full Commission to accept this proposal from the Patrick County Education Foundation and funds be disbursed as soon as possible after the deadline as long as there are no competing proposals by the January 15th deadline from Patrick County.

Motion seconded

All in favor by aye vote

None opposed

Motion adopted

Mr. Currin provided the Committee with an update on the brochure they requested staff develop at the last meeting in Danville. That process is well underway and between now and the next Commission meeting draft language will be sent out to the Commissioners. It can be ready for distribution while the General Assembly is in session.

Delegate Clement suggested that at the Commission meeting they vote to give the Executive Committee the authority to approve the draft brochure.

Meeting adjourned at 9:45 am.

Submitted by **Carthan F. Currin, III**

Executive Director

Virginia Tobacco Indemnification and Community Revitalization Commission