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**VIRGINIA TOBACCO INDEMNIFICATION
AND COMMUNITY REVITALIZATION COMMISSION**

701 East Franklin Street, Suite 501
Richmond, Virginia 23219

Technology Committee Meeting

Thursday, December 14, 2006

1:00 p.m.

Riverstone Technology Building
South Boston, Virginia

APPEARANCES:

- The Honorable Clarke N. Hogan, Chairman
- The Honorable Kathy J. Byron, Vice Chairman - Southside
- Mr. Thomas W. Arthur
- Mr. L. Jackson Hite
- The Honorable Edward Owens
- Mr. James C. Thompson, (by phone)
- The Honorable William Wampler, Jr., (by phone)
- The Honorable Thomas C. Wright, Jr.

COMMISSION STAFF:

- Mr. Neal E. Noyes – Executive Director

1 Mr. Timothy Pfohl – Grants Program Administration Manager

2 Ms. Britt E. Nelson – Grants Coordinator, Southside Virginia

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4 OFFICE OF THE ATTORNEY GENERAL

5 Mr. Francis N. Ferguson, Senior Assistant Attorney General,

6 Counsel for the Commission

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8 DELEGATE HOGAN: All right, let's get started.

9 Would you call the roll, Neal?

10 MR. NOYES: Mr. Arthur?

11 MR. ARTHUR: Here.

12 MR. NOYES: Delegate Byron?

13 DELEGATE BYRON: Here.

14 MR. NOYES: Mr. Hite?

15 MR. HITE: Here.

16 MR. NOYES: Delegate Hogan?

17 DELEGATE HOGAN: Here.

18 MR. NOYES: Mr. Montgomery?

19 MR. MONTGOMERY: (No response.)

20 MR. NOYES: Mr. Owens?

21 MR. OWENS: Here.

22 MR. NOYES: Delegate Wright?

23 DELEGATE WRIGHT: Here.

24 MR. NOYES: Senator Wampler and Mr. Thompson

25 are joining us by phone.

1 SENATOR WAMPLER: I'm here. (by phone)

2 MR. THOMPSON: I'm here. (by phone)

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

4 DELEGATE HOGAN: We do have a quorum. Do we
5 have a motion to approve the minutes?

6 MR. ARTHUR: So moved.

7 MR. OWENS: Second.

8 DELEGATE HOGAN: All in favor? (Ayes.)
9 Opposed? (No response.)

10 I thought we'd get together this afternoon and do this a little bit
11 different than we've done in the past and if anybody objects just to let me
12 know. I'm assuming you all know why we're here this afternoon to discuss
13 these grant proposal summaries and staff recommendations concerning these
14 three projects. I'm going to ask the three representatives to come on up and
15 sit at the table with us and we'll just have a discussion of these matters. I'm
16 going to ask Tim to give us an overview of what this is all about and get into
17 the meat of it after he's finished with a short presentation. We'll then ask the
18 three institutions to respond and we'll just discuss it. I think it's very
19 important for our region to know how important this is and why we want to
20 do this.

21 MR. PFOHL: Good afternoon, Mr. Chairman, and
22 members of the Committee, ladies and gentlemen. I don't know how
23 detailed you want me to go into this but there is a four page staff report that
24 I'm sure you all have that addresses these three specific applications and
25 then we have the responses from the various applicants. After that, I'll

1 respond to any follow-up questions that anyone may have. All three of the
2 proposals have the same dollar amount that's being requested. And these
3 three higher education institutions serve the Southside, collectively known
4 as Southside Higher Education Coalition and respond to the legislative
5 mandate to coordinate program offerings and avoid unnecessary duplication.
6 Each institution is planning to expand its current offerings to include
7 programs that are not currently available in the region, including the
8 development of new programs. Other higher education programs not
9 currently or readily available in the region will be led locally by resident
10 faculty linked to home campuses and other contracted higher education
11 institutions. These programs are somewhat similar in terms of personnel,
12 equipment, supplies, materials and so forth as far as the request is concerned.
13 There is a distinction and that is to avoid duplication. Keep in mind these
14 are requests to expand education offerings not available as I said, or readily
15 accessible in the region over and above what we have already. The
16 programs would initially be targeted to a primary service area of seven
17 counties and could be offered through programs such as several distance
18 learning facilities located throughout the tobacco region. These bachelor
19 programs can lead to a baccalaureate degree and each one of the institutions
20 will be pursuing that with graduate programs yet to be negotiated. Some of
21 these requests would have to be worked out specifically. I think we pointed
22 out in the staff comments that the details in many cases are yet to be worked
23 out. Details have yet to be worked out on budgetary matters. The intent is
24 to provide accessibility to higher education in the region and just offer
25 opportunities that aren't available presently. We are asking to receive more

1 details on some of these matters but all that has to be worked out and will be
2 if this program is to go forward. An array of subcontracts have to be worked
3 out with other degree-granting institutions to provide this coursework. More
4 detailed budgets will have to be provided to us before funds are released.
5 We'll get progress reports let's say at a six-month interval so we know what
6 the expenditures and the outcomes are. There was a suggestion of
7 reimbursing program participants for travel expenses. The staff has
8 consistently directed applicants not to ask us to provide bus tokens or gas
9 cards, automobile repairs and things like that. We know that transportation
10 is an issue for folks that are taking part in these courses but we feel like it's a
11 very slippery slope for us to start using public funds on personal expenses of
12 that nature. Lastly, the professional development and training for teachers
13 and citizens in the region be programs that grant specific employer-
14 recognized credentials rather than just general topical training on topic du
15 jour. Some of the programs that exist like Work Keys Assessment or GEDs
16 and obviously those are not higher ed credentials, but whatever the results
17 are from this training are credentials that employers are going to recognize
18 and can open doors in terms of employment and income for the participants.
19 That's basically what I have to say in a nutshell and I'll be happy to answer
20 any questions. The representatives are here from all the applicant
21 institutions who I'm sure will be happy to speak with you as well.

22 DELEGATE HOGAN: Are there any questions for
23 Tim or the three institutions at this point?

24 MR. HITE: Mr. Bennett, can you give us an overview
25 of your proposal? What do you have here Ted, can you give us a synopsis of

1 what you're asking for and the reason for it?

2 MR. BENNETT: Based on this from January until
3 probably August, we did an enormous amount of research and analysis in
4 order to help us come to some conclusions on this research concerning these
5 higher educational pieces and educational access pieces not there for our
6 people. I'm talking about specific programs that were not being delivered.
7 We've taken a two-pronged approach and focus on these various programs.
8 We're recommending one for indigenous industries like the wood science.
9 In this rural area, manufacturing has taken a tumble as everyone knows.
10 Wood products and not just timber but wood products is the largest industry
11 in rural Virginia and they need qualified employees. The other is to reach
12 out into the national sector that's growing, specifically digital arts and
13 graphic design. Digital art and graphic design is growing like twelve to
14 fifteen percent a year. The data we found from everywhere is that this area
15 is considerably under-served as far as employees to serve that industry. We
16 also have an enormous number of students that actually are going to Florida
17 and Greensboro to the Savannah School of Arts and Design. The expense of
18 a private school is enormous. VCU School of Arts is the number one art
19 school in the country according to U.S. News and World Report. So we've
20 got a brain drain with these students leaving. I think we're interested in
21 developing opportunities for the interactive gaming program. What I'm
22 saying is that opportunities everywhere are enormous. We want to be able to
23 disseminate that and distribute those pieces throughout Southside and not
24 just in Halifax or Martinsville or Danville. What we've done in addition to
25 this type of analysis, the three of us have worked about as closely as any

1 three institutions located in different cities and towns could work together
2 and more than I thought would be possible. The business community is
3 behind it. And we made a presentation to the Kaine administration and the
4 response is that we've cooperated with each other trying to make this come
5 about. The three of us and our staffs have spent an enormous amount of
6 time all looking at the same data making sure we don't duplicate efforts. So
7 having done that, we're trying to find a way to reach out particularly east of
8 here all the way through Sussex and north to Nottoway. If we fail to do this,
9 we're going to have a tough time. Number two, time is not on our side. All
10 of you are aware of the people that we've lost. Since 2003, Danville,
11 Martinsville, South Boston, Pittsylvania County, parts of Mecklenburg have
12 lost over three thousand jobs. We're losing and have lost so much of our
13 middle class it's unbelievably scary. I don't think I'm overstating it when I
14 say this but those of you that are paying attention to what's happening in the
15 community and in the region, my guess is our region has not seen an outflux
16 or a loss, not just mom and dad communities in our region but entire families
17 leaving. It's projected that in Halifax alone, we've lost over 800 people
18 since the census was taken in 2001 and that we'll lose another thousand
19 people by 2010. Time isn't on our side and what our people are looking for
20 is some access and a way to improve themselves with higher education. I
21 don't know of anything at this moment that this committee can do that will
22 have a chance to stimulate and help turn us around for a long run than what
23 you've got before you today.

24 MR. HITE: Can we hear from the other two?

25 DELEGATE HOGAN: To the extent you have

1 something else to add, go ahead.

2 MR. FRANKLIN: To coordinate a request, you're
3 seeing a very similar request across all three institutions. The important
4 difference is the degree program. It's a situation wherein you look across all
5 three institutions, you begin to have a set of degree programs that provide
6 choices for the students that graduate to get a college degree and be able to
7 stay and build on community college programs, build on some of the
8 exciting new programs that are going on K through 12. In our case, our
9 degree offerings are going to be very much lined up with research and
10 development programs that we have at the Institute. The three that we'll be
11 offering are General Engineering degree that involves electrical, mechanical,
12 nanotechnology, chemistry and information technology. That lines up very
13 closely with some of the things we have going on in the graduate area. It's a
14 little off the topic but I'm very proud to say that tomorrow our first Institute
15 focused mechanical engineering graduate student is getting his Masters from
16 Virginia Tech. He spent two-thirds of his degree program at the Institute for
17 Advanced Learning. One of the issues is where are the third and fourth year
18 programs that feed that? As you look at and build on Ted's point and if you
19 look at, workforce is one piece of the puzzle and education is another piece,
20 economic development is another piece. The moment we lose these people
21 is when they go off to college. Getting them back is far more costly than
22 trying to provide an opportunity for them in this region. That's what we're
23 trying to do with this. We're trying to get students to be much more
24 interested in the kind of degree programs and make sure there's a location in
25 the region and make a point about the structure of the proposal. You're

1 essentially funding the institution and the students are then going to go out
2 and negotiate with accredited degree granting institutions. But by the money
3 staying in the region, we can say that we want the onsite faculty, this is a
4 different program. We want to deliver face to face. In our case, we want to
5 be able to deliver undergraduate upper division programs that use the
6 research and graduate faculty to make that a unique undergraduate
7 opportunity for the student so that they will have a choice to come here and
8 we keep our best at home.

9 MR. DORSEY: Mr. Chairman, I would just add we
10 have had some experience with this already and we're the new kid on the
11 block. New College Institute officially began as a state educational
12 institution the first of July. We hurried ahead and set up a trial program this
13 year so we're already offering seven programs offered by five different
14 institutions. The programs that we have range anywhere from elementary
15 education and we already have faculty and residents for that program to an
16 MBA program. We have a wide range of programs that we're offering
17 already. Basically, degree completion, which means that we are making it
18 possible for students who complete associate degrees to have a place to go in
19 this region where they can get a Bachelor's degree. Obviously, we're close
20 to Patrick Henry, they've been a wonderful partner with us. They're
21 graduates now know they have a place to go and in fact their enrollment and
22 college transfer program went up this year and we'd like to think we had
23 something to do with that. In terms of what we're requesting, we're
24 requesting money to do three things. We want to add at least three more
25 programs that we think are needed in this area that respond to the resources

1 or niche we have in this area. We have the Motorsports, or that offer
2 opportunities to expand the number of jobs in the Commonwealth. We like
3 to talk about emergency preparedness because every locality needs people
4 that are trained in that area in the situation with the terrorists and so forth.
5 We would add at least three additional programs with the money you would
6 be kind enough to give to us. We'd do a second thing and that is to have a
7 teacher's academy. What we find in this area is that having a degree
8 program for teachers to take at the master's level is very important but the
9 superintendent says what we really need is for teachers to get an
10 endorsement to teach particularly math and science. Through our teacher
11 academy, we hope to increase math and science teachers available in this
12 area. The third thing we do is to set up an internship program. In the first
13 year, we'd have at least 20 college students doing an internship program in
14 the summer. As you know from your experience in talking to students, it's
15 very important for them to find out what the real world is all about and get
16 their foot in the door because many of these people end up being hired by
17 the companies that they do an internship with. So we're asking for that and
18 thank you for the opportunity to be here. So what we're doing is asking for
19 additional funds to add to these programs and do the other things that I
20 mentioned. In reading the staff comments, Mr. Chairman, I must say that I
21 have no problem with the comments here, we're very happy to work closely
22 with the staff further to find what we're asking you to do and would be
23 happy to do that. Again, thank you for the opportunity to be here.

24 DELEGATE WRIGHT: You and I were talking
25 recently about a vision or envisioning reaching out and so forth. I think

1 that's very important. I just came from the Estes Community Center and
2 that's a wonderful opportunity. I'm just wondering what kind of benefit will
3 it be to people in the area currently using the Estes Center and even beyond.
4 What are some concrete things I can hang my hat on?

5 MR. BENNETT: That's an awfully good question,
6 Delegate Wright. Our intention upon receiving the funding is to address the
7 faculty here plus to the Estes Center and the resident faculty and the faculty
8 have a unique written contract. One is it's not sufficient to deal with the
9 issues to overcome the problems that we have by just having a representative
10 from the college, state college or university come here to teach courses and
11 then go home. To help us overcome the loss of talented and creative people
12 that we lose on the out migration by trying to reverse some of that and
13 require the faculty to live here, own homes here, be invested in the
14 community. That will help us revitalize the region. I believe that this isn't
15 just Danville or South Boston but we're going to be asking that they
16 physically go to your county and live in the Southside region. If you all give
17 us the money to be able to negotiate, you're giving us leverage for this
18 region to accomplish this. We just simply don't have that now.

19 DELEGATE WRIGHT: What would the time frame
20 be before we actually see some reach into this area like the Estes Center and
21 others?

22 MR. BENNETT: We've already, I've talked to the
23 folks from Verizon and the Estes Center being non-credit courses either this
24 spring or this summer. The credit courses probably in September, for certain
25 this coming year. The great thing about the flexibility that you all give us

1 here is we can prove ourselves with the legislature, have a better chance of
2 proving ourselves with the legislature, to discount the notion that there's
3 really not a demand in Southside for higher education courses, we don't
4 believe that.

5 DELEGATE HOGAN: What we want to do is use
6 these three institutions to project to these counties in the region. We want to
7 use the broadband system that we've spent our money on to accomplish that
8 and folks over at the Estes Center can use that. If we do this the way we're
9 talking about, if there's a program coming out of Martinsville, we want to
10 become part of that. Part of the mandate would be to serve the Estes Center.
11 We've got to have classes where people are right now and not at some time
12 in the future. Then we have to talk about proper use of the faculty. We've
13 got to have people to deliver these services; that would be one of the core
14 methods. That's what we've got to do. That's not an add-on nice to do,
15 we've got to do that.

16 MR. DORSEY: I would just add that we have a
17 faculty in residence that moved from Martinsville to teach an education
18 program this year. It's a great idea to have the faculty in residence. They
19 add a lot to the community and they become involved in it and people
20 recognize they're there to offer programs. He begins his coursework next
21 semester and we've offered it through our technology to Danville and South
22 Boston. We'll be able to broadcast that program throughout the region and
23 vice versa.

24 MR. BENNETT: One last comment. We've talked
25 about out-migration of people. To the extent that we offer accessibility

1 opportunities for our people here, as long as we can keep them interested in
2 coming to college, the greater and longer our chances of keeping them here.
3 That's subtle but a powerful impact. The longer you keep folks here and
4 provide the education and training and opportunities, the better chances of
5 keeping them for the long run and not losing them.

6 MR. FRANKLIN: There's nine new programs that
7 will be offered. I think somebody said seven hundred miles is a big amount
8 of territory in this region. There's a lot of good signals to be passed and
9 these degree programs will be offered virtually throughout the region and it's
10 a win situation for us. I just think it's something that is very beneficial
11 throughout the area.

12 DELEGATE WRIGHT: You think it's possible by
13 September?

14 MR. FRANKLIN: I think we'll have a lot more
15 courses in September. I think it will grow from there. From the Institution's
16 standpoint, just to make another point, by serving these areas and one of the
17 reasons we don't have more higher education programs is because there isn't
18 a big enough market. The tuition dollars that support the faculty and costs of
19 delivering the programs are limited by how many students you can get in
20 one spot. By delivering across the region using the technology infrastructure
21 we are increasing that market base many fold. I think the institutions are
22 going to be a lot more interested in delivering programs and this money will
23 help us help the institutions that there's a reason to change their way of
24 delivering specific programs. I think that will increase as the years go on.

25 MR. BENNETT: Within 45 miles from Martinsville

1 Henry, you may reach a population of 175,000 people. You can duplicate
2 that or triple that by us going east and reach a total of 548,000 people. It
3 starts with business mass and critical mass.

4 DELEGATE HOGAN: Are there any more questions
5 for these gentlemen? I don't think they're going anywhere right now if you
6 have a question later on.

7 MR. BENNETT: Thank you very much.

8 DELEGATE HOGAN: Does anyone have any
9 questions about the programs and what we're trying to accomplish?

10 MR. ARTHUR: Regarding the programs?

11 DELEGATE HOGAN: Regarding the programs.

12 Now, I know there's been some conversations with some of you. In some of
13 the conversations people are saying why is this thing here, why isn't this
14 somewhere else. But I think there's probably three parts to that. I'm sure
15 we'll have a discussion about that. I'll start it off by saying from a practical
16 standpoint back to what Ted talked about, if we let this thing drift on into or
17 send it to education or special projects and the application dates are April, I
18 believe. Is that right, Tim?

19 MR. PFOHL: April action by the Committee and then
20 special projects you'd be on into the fall.

21 MR. ARTHUR: We have precedence when we have
22 time sensitive issues and a committee chairman within a committee can call
23 a special meeting to address that special project. I see where your argument
24 is going but I don't think this is time sensitive as far as we got to have the
25 application by a certain date. There's no reason why we can't send this

1 where it should be. A special meeting could be called to address the issue of
2 a time sensitive program. I've sat here and listened to all three gentlemen
3 and I like the program and I have no qualms with the programs but the word
4 technology was not mentioned but twice and that was in the name of the two
5 degrees. We've got a technology committee and an education committee.
6 There's a couple of other issues that I could address.

7 DELEGATE HOGAN: I think for these programs to
8 work, I think it's important for these programs to work the way they should
9 work. They have to be delivered in a way that can work over the broadband
10 network. I can tell you from looking at other programs in the Teletech Net
11 and some of the work that's going on and I can tell you in five or six years
12 you've got to come up with an educational program and if they're not
13 tailored to be delivered over the web it will be difficult to take. I tried to
14 participate in a seminar over the web, was hooked up for business a couple
15 of weeks ago. It was difficult to deal with. The specific needs of these
16 projects and programs are what's important. We can kick this thing around a
17 lot of ways but I think ultimately this will have to be funded through the
18 General Assembly. And that's probably one of the things we'll talk about. I
19 think everybody would agree and stipulate that if we don't set these
20 programs up so that they can be developed and projected over the Internet,
21 it's just something we've got to do. We can sit back there and talk about
22 what other people are talking about and the various pieces of why that's
23 important. I hear what you're saying but I think there are some reasons why
24 we could go about it this way and we'll come closer to getting what we want
25 than if we let this thing go through Education or Special Projects.

1 MR. ARTHUR: Mr. Chairman, I beg to differ as far
2 as the technical applications, it's not our job. It's not what we're here to do.
3 I think clearly it's the three institutions' jobs to set it up, it's an easily
4 operated functional thing. As you said and stipulated, this is only for a one
5 year deal. We're looking right here and the staff's recommendation where it
6 says they won't be sustainable until after a three year startup period and the
7 staff's recommendation says sustainability through creation of future
8 legislative funding is stated generally and is highly speculative, we all know
9 that. I just have a terrible problem with us doing this in Technology when
10 every word that was said here was education.

11 DELEGATE HOGAN: I hear what you're saying and
12 I appreciate that.

13 SENATOR WAMPLER: I have a couple of
14 observations from Tom's point. I think the only thing we can do is if the
15 consensus can be gathered that we will make a recommendation to the full
16 Commission, whether it's at the January or subsequent meetings. I'd support
17 the Southside's effort and I think it's very exciting and I would only lay
18 claim to describe what we're doing here with the Southwest Virginia Higher
19 Education Center. Yesterday, you could have walked in to see a nurse
20 anesthetist training program with VCU of Richmond with a remote site
21 where so many students are receiving training that I think is a 24 month
22 period or maybe 12. The point is, once they graduate that course they will
23 be employed and they already have employment contract in excess of
24 100,000. To be in the actual classroom and have a virtual patient situation
25 whether it's a respiratory function or whatever, whatever the situation is.

1 My point is, it's not just classroom but it's technology and it's being used as
2 the platform to deliver this. And the point is that this technology brings all
3 this to bear. Anybody that can go through a course and be able to be
4 employed and getting in anyone's market is commendable. I don't think any
5 staff member can say that we don't meet standards. My point is, I just think
6 it will help. On the other side of the educational is that we have a virtual
7 governor's school where the state can log onto Harvard real time. In my
8 days when you studied you had transparencies. You can't deliver
9 educational opportunities without the infrastructure is my point and the cost
10 associated thereto. The question is how do we sustain it. We've got to have
11 that infrastructure and that's really the point I was getting at. This is all
12 pretty exciting.

13 DELEGATE WRIGHT: I'd like to have the staff
14 comment on Tom's point and see if it's possible for us to go through the
15 committee that maybe more appropriate whether it is not, is it something that
16 can be done or what?

17 MR. NOYES: As Mr. Arthur said, it is possible for
18 any committee chairman to call a special committee meeting. In my reading
19 of the application, it's clear to me a January decision when the full board
20 meets on January 9, will be necessary in order for the three institutions to
21 establish their bona fides before going to the legislature, not for this session
22 but for the next year's session. I can get in touch with Senator Ruff if that is
23 a desire of this committee and explore this. There is time and we can do it if
24 the Senator so wishes the morning of the eighth or afternoon of the eighth of
25 January in advance of the Executive Committee meeting. The Executive

1 Committee would be asked to agree to transfer funds from Special Projects
2 to Education. That's a matter for this group to provide guidance on.

3 DELEGATE HOGAN: Does that answer your
4 question, Tom?

5 DELEGATE WRIGHT: Yes.

6 MR. ARTHUR: I might add that I've spoken with
7 Senator Ruff and he has reservations but he feels he can do this in the
8 timeframe that's necessary to provide the support needed.

9 DELEGATE HOGAN: Obviously this subcommittee
10 or any other can make a recommendation to the full Commission as we do
11 with other projects. I don't object if Frank can call a meeting and review
12 this and make recommendations in addition to ones we might make in order
13 to look at the program pieces of it between now and then but at the same
14 time we're sitting here on the 14th of December. What I'd like to see is this
15 committee recommend this project go to the full Commission. Frank, it
16 might be a little irregular but I think we need to accomplish this. They can
17 review the application and make additional recommendations. We can
18 present it in tandem with this committee's recommendation to the full
19 Commission and we can point that out. If we can't get a quorum and this
20 thing doesn't get scheduled, then we'd have a problem. The issue is that if
21 we can fund this thing the way we're going by January with the full
22 Commission, we can get it in front of the full Commission. What the full
23 Commission does is obviously another thing. That would give the
24 institutions an opportunity to put the programs in place right now or pretty
25 close to right now and if this thing gets put on the back burner and they

1 don't have a chance to get these programs in place then their ability to start
2 these programs and/or get General Assembly funding in the '08 budget, well
3 that's the next budget, if they can't do that they will be severely hampered.
4 We can set back the program deliveries a couple or three years, that's what
5 we're talking about. I think if you think about that, we need to get this thing
6 before the full Commission in January if you want to see this happen, these
7 three institutions or in 2007. Any other way might work and might not work
8 but I think this is important for our area and I want to see it go forward not
9 sometime but now.

10 MR. HITE: I would move this go before the full
11 Commission in January. So I make the motion that we grant approval of the
12 staff's recommendation.

13 DELEGATE HOGAN: Do we have a second to the
14 motion?

15 DELEGATE BYRON: Second.

16 DELEGATE HOGAN: We've got a motion and a
17 second. Any discussion?

18 SENATOR WAMPLER: Would you repeat the
19 motion?

20 DELEGATE HOGAN: The motion is to recommend
21 the staff recommendation to the full Commission.

22 MR. HITE: I see what Mr. Arthur's concern is and I
23 know sometimes we do business that might not be ordinary but that's the
24 way it works out sometimes.

25 DELEGATE HOGAN: We do a lot of extraordinary

1 stuff.

2 MR. ARTHUR: I have no doubt and certainly no
3 reflection on you but I've asked that we take a look at this thing in the
4 Education Committee. I know the time frame is tight and I also know it can
5 be done and in fact it's more probable it can be done than the so-called
6 legislative process to add the necessary funds or more probable to get it
7 done. But I feel we would be doing irreparable damage to the integrity of
8 our committee process if we pass this totally out of technology without a
9 single word of technology was used, without having the Education
10 Committee to look at this and indicate it's going to have to go before the
11 Executive Committee in order to transfer the funds. I'm confident there's
12 going to be discussion of this in the Executive Committee.

13 DELEGATE HOGAN: I'm sure.

14 MR. ARTHUR: I basically said all I wanted to say. I
15 support the program and I think it's important that we go ahead with it but
16 we do have a process by which we do things and we're not in it.

17 DELEGATE HOGAN: Maybe we can accomplish
18 your goal, let me do this. I'll write Frank a letter saying that we looked at
19 this proposal and we reviewed it and it makes sense to do it in a timely
20 fashion and we would appreciate your committee's input if that's possible
21 between now and the 8th of January. We'll be happy to take the
22 recommendation of your committee in addition to the recommendations
23 from this committee to the full Commission. In other words, ask him for
24 input from the Education Committee if he can put that together. Would that
25 accomplish what you're saying?

1 MR. ARTHUR: Yes, I can deliver it but I think it
2 definitely should go to Senator Ruff's committee. If you take Southside
3 economic I would be pretty much offended if you bypass Southside and you
4 gave it to some other committee. That would allow sometime in the future
5 for the political process to decide we're going to send it to this committee
6 because this gentleman is a little more favorable to our process. If we stick
7 to the process we've got, I think we should ask the Education Committee for
8 their input and give it due thought and consideration. We're going around
9 the corner but we've accomplished what we should.

10 DELEGATE HOGAN: I think we can ask the staff to
11 write that letter.

12 MR. NOYES: Mr. Chairman, I'll be pleased to do
13 that.

14 DELEGATE HOGAN: Does that address the issues
15 that anybody else might have?

16 DELEGATE WRIGHT: I think that's better. Do you
17 want an amendment or a motion?

18 DELEGATE HOGAN: I don't think we need a
19 motion, we can just write that letter. Frank can call a committee meeting
20 anytime he wants to. With a letter from this committee to him asking him to
21 review the educational piece in advance of the January meeting, I don't think
22 it's necessary to have that as a motion.

23 DELEGATE WRIGHT: If you're satisfied.

24 MR. ARTHUR: I'm satisfied as long as Senator
25 Ruff's committee gets to take a look at this and give it due coverage and

1 review it, that's fine with me. The whole thing is you're fixing to transfer
2 the money from Special Projects into Technology, since we approved four
3 million dollars for Southwest, what does this do towards the Last Mile
4 Project in Southside with the four million dollars that we used here?

5 DELEGATE HOGAN: It would put us in the posture
6 of hitting the next budget cycle, which is about as fast as NBC can spend the
7 money.

8 MR. ARTHUR: Well, if you don't spend it we don't
9 lose it. We've got a lot of Last Mile stuff.

10 DELEGATE HOGAN: This does not count against
11 our Technology budget from what I understand. Any other comments?

12 DELEGATE WRIGHT: Mr. Chairman, I think we
13 ought to make that point clear that Tom has mentioned because this proposal,
14 the education proposal shouldn't count against the Technology budget.

15 DELEGATE HOGAN: I don't think it will be
16 considered a part of this budget.

17 MR. NOYES: It's never been considered as part of
18 that process and it hasn't been deliberated by the Executive Committee and
19 that's where that has to happen.

20 DELEGATE HOGAN: I can't create a budget.
21 William, would you concur with that analysis?

22 SENATOR WAMPLER: Mr. Chairman, I'd say that
23 many times when we get wrapped around the axle we lose focus on what we
24 should be about and that is creating jobs. I think if it creates jobs we should
25 fund it.

1 DELEGATE HOGAN: Thank you, sir. Any other
2 comments?

3 MR. ARTHUR: That's why he's a politician.

4 DELEGATE HOGAN: Pretty good Senator Wampler.
5 All in favor aye? (Ayes.) All opposed like sign? (No response.)

6 SENATOR WAMPLER: Senator Wampler votes aye.

7 DELEGATE HOGAN: Any other issues, any other
8 business before this committee?

9 MS. TERRY: I'm Sarah Terry and I won't hold you
10 up but I want to thank you very much for the Center and thank you for the
11 work you've done and appreciate working with you all. Thank you.

12 DELEGATE HOGAN: All right, thank you. Anyone
13 else have anything before we adjourn? All right, no public comments.
14 Meeting is adjourned.

15

16 PROCEEDINGS CONCLUDED.

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20 CERTIFICATE OF THE COURT REPORTER

21

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

1 **Commission Technology Committee Meeting when held on Thursday,**
2 **December 14, 2006 at 1:00 p.m. in the Riverstone Technology Building,**
3 **South Boston, Virginia.**

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

6 Given under my hand this ____ day of December, 2006.

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Medford W. Howard

13

Registered Professional Reporter

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Notary Public for the State of Virginia at Large

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16

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18 My Commission Expires: October 31, 2010.