

1 **TOBACCO REGION REVITALIZATION COMMISSION**

2 701 East Franklin Street, Suite 501

3 Richmond, Virginia 23219

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8 **Education Committee Meeting**

9 Tuesday, September 22, 2015

10 2:30 o'clock p.m.

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 Wytheville Meeting Center

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 Wytheville, Virginia

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1 APPEARANCES:

2 The Honorable Frank M. Ruff, Chairman

3 Mr. Donald W. Merricks, Vice Chairman

4 Ms. Rebecca Coleman

5 The Honorable Terry G. Kilgore

6 Mr. Frank Harris

7 Mr. Dale Moore

8 Mr. Cecil Shell

9 The Honorable William M. Stanley, Jr.

10 The Honorable Thomas C. Wright, Jr.

11

12 COMMISSION STAFF:

13 Mr. Evan Feinman, Executive Director

14 Mr. Ned Stephenson, Deputy Executive Director

15 Mr. Timothy S. Pfohl, Grants Program Administration Director

16 Ms. Sarah K. Capps, Grants Coordinator

17 Southside Virginia

18 Ms. Sara G. Williams, Grants Coordinator

19 Southwest Virginia

20 Mr. Benjamin Dawson, Grants Assistant

21 Southside Virginia

22 Ms. Jessica Stamper, Grants Assistant

23 Southwest Virginia

24 Ms. Stephanie S. Kim, Director of Finance

25 Ms. Stacey Richardson, Executive Assistant

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COUNSEL FOR THE COMMISSION:
Ms. Elizabeth B. Myers, Assistant Attorney General
Ms. Kristina Stoney, Senior Assistant Attorney General
Richmond, Virginia 23219

1 September 22, 2015

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SENATOR RUFF: Good afternoon. I'm going to call the Education Committee hearing to order. Would you call the roll.

4

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MR. FEINMAN: Ms. Coleman.

6

MS. COLEMAN: Here.

7

MR. FEINMAN: Mr. Harris.

8

MR. HARRIS: Here.

9

MR. FEINMAN: Mr. Merricks.

10

MR. MERRICKS: Here.

11

MR. FEINMAN: Mr. Moore.

12

MR. MOORE: Here.

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MR. FEINMAN: Senator Ruff.

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SENATOR RUFF: Here.

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MR. FEINMAN: Mr. Shell.

16

MR. SHELL: Here.

17

MR. FEINMAN: Senator Stanley.

18

SENATOR STANLEY: Here.

19

MR. FEINMAN: Delegate Wright.

20

DELEGATE WRIGHT: Here.

21

MR. FEINMAN: You have a quorum.

22

SENATOR RUFF: Welcome to everyone. I need a motion for the minutes from May 20th, is there a motion?

23

24

DELEGATE WRIGHT: So moved.

1 MR. SHELL: Second.

2 SENATOR RUFF: It's been properly moved and
3 seconded that the minutes for the May 20th meeting be
4 approved. All those in favor say aye. (Ayes). Opposed? (No
5 response). Thank you.

6 Ned, would you do the Scholarship Program?

7 MR. STEPHENSON: Page 26 in your book, and this a
8 one-page list of the basic scholarship rules that were in place for
9 the previous year. I will note at the outset that the top of the
10 sheet says School Year '15-'16, it is supposed to be '16-'17,
11 looking ahead. The rules that appear before you are unchanged
12 from the previous year with the exception of the amount of
13 money being recommended to you for the funding of the
14 scholarships.

15 If you'll look in the middle of the page, there's a line
16 item that says total amount of award, which is \$2,361,000 for
17 Southwest, and \$5,256,000 for Southside.

18 Those numbers are up six percent over the previous
19 year to cover the scholarships for those two regions. The six
20 percent increase was taken from the SCHEV assessment of the
21 increases in public education costs in the Commonwealth. We
22 relied on them to index this at the same rate that was reported in
23 the SCHEV study.

24 We're before you today asking that you approve the
25 rules, which are basically the same as last year, but with the

1 higher grant award amount.

2 If you'll look on the next page, Number 27, the
3 scholarship administrator, the Southwest Higher Education has
4 provided you with some comprehensive statistics on the
5 performance of these scholarships since the inception. Duffy
6 Carmack is in the audience today and prepared to speak or
7 answer your questions based on this. I would draw your
8 attention to the last line on page 27, which does indicate that
9 there wasn't enough money to satisfy all of the persons who
10 were seeking the money.

11 SENATOR RUFF: Probably we need to have a little
12 discussion. We're taking care of some and leaving some behind.
13 You kept the amount the same or we kept the amount the same
14 for each student, is that correct?

15 MR. STEPHENSON: That is correct.

16 SENATOR RUFF: So, effectively, we would be helping
17 a few more students but not help a whole lot more?

18 MR. CARMACK: Senator, I'm Duffy Carmack,
19 Southwest Virginia Higher Ed Center. I just want to introduce
20 the real key workers in the Scholarship Program. Pat Ball, who is
21 the Chief Administrator in the Abingdon Office overseeing both
22 Southside and Southwest, what I call the bookkeeping part. Paul
23 Farrar, who is in the Martinsville area. We've got Melissa
24 Warden, is responsible for collecting the outstanding loans, and
25 we have approximately \$2 million in outstanding loans, and she's

1 collecting about a half a million dollars annually, but we're adding
2 more to it all of the time, and it's kind of a rolling balance. We
3 have Alicia Young, who is the Grants Administrator.

4 I felt like it would be helpful, and I'll be glad to answer
5 questions, and Pat Ball will be ideal for this. The questions that
6 have been brought to our attention this year that since
7 Southwest Virginia changed its rules last spring, this is the first
8 time we've had an opportunity to actually award all of the
9 money. We always had money left over in Southwest Virginia.

10 So, this year, we were able to award all of those
11 dollars, as you can see. I have asked the second sheet passed
12 out to you, and this is a quick synopsis, and it might make a little
13 more sense.

14 On the Southside, there were 495 students that
15 applied that we did not have funds to award. In Southwest, there
16 were 222 denied. There has always been historically denials in
17 Southside. As you may recall, they did not have the requirement
18 of having to be a Tobacco farmer at that time. So, when we
19 leveled the playing field with the rules this spring and opened it
20 up for anyone in Southwest Virginia, we saw a large increase in
21 applicants. And we were not able to fund them all. In total, we
22 received maybe five complaints from farm families calling in or
23 writing in, they said we thought the program's purpose was to
24 support our students.

25 Likewise, and I have this information if you'd like to

1 see it, we probably have 10 or 12 letters of accommodation and
2 thank you parents in our area for the ability to get the
3 scholarship and how important it is for students. It's a very vital
4 program, and one of the programs that you have that can really
5 build some credibility.

6 SENATOR RUFF: The complainants are much louder
7 than --

8 MR. CARMACK: Always.

9 DELEGATE KILGORE: Is there a way that you can
10 break down for us how many of the ones that we turned down
11 were farm families, former tobacco families?

12 MR. CARMACK: Yes, I'll ask Pat to come up here with
13 me. I don't have an exact number, Terry, but out of Southwest
14 Virginia, of the 222, I would suspect less than half of those were
15 farm families.

16 MS. BALL: I'm Pat Ball. We don't have a way to
17 identify specifically those students at this time, and we want
18 them in the program next year, and we can do that, and we can
19 identify these students and be able to enter that data, but this
20 year we did not get that information.

21 DELEGATE KILGORE: What was your order of priority
22 in making a decision or who you denied of the 222, what was
23 your order of priority?

24 MS. BALL: It was done on GPA, from highest to
25 lowest. We figured how many we could afford, and by taking the

1 remaining funds, we could afford the first three groups, and we
2 determine we could go through a certain point, a grade point
3 average, and we had to stop there.

4 DELEGATE KILGORE: For the incoming freshmen?

5 MS. BALL: Yes, just the freshmen group.

6 SENATOR RUFF: Any other questions? I think the
7 first question we have to address is do we want to increase the
8 amount six percent?

9 DELEGATE WRIGHT: Mr. Chairman, I make a motion
10 that we increase the number six percent.

11 SENATOR RUFF: It's been properly moved and
12 seconded that we increase the amount by six percent, which
13 would be \$431,000, to increase the amount this current year.
14 Any discussion? All those in favor, say aye. (Ayes). Opposed?
15 (No response).

16 That leads us to the question do we change the 2750
17 figure or do we adjust it in some way? We have three options.
18 We can leave it as it is. We can adjust it up six percent. Or we
19 can come down so we can satisfy more -- Any thoughts?

20 DELEGATE KILGORE: I would suggest that we satisfy
21 more young people with the six percent.

22 MR. MERRICKS: You say six percent?

23 DELEGATE KILGORE: More people.

24 SENATOR RUFF: Just for sake of discussion, how
25 about if we reduce the amount to 2,500?

1 MR. MERRICKS: What about those that you've
2 already got in, would the freshmen be 27?

3 SENATOR RUFF: Each year would start again. If
4 there was a change, it would change down, money that didn't
5 have, a lot of them haven't been able to get it before their junior
6 year.

7 MS. BALL: It's open to freshmen.

8 SENATOR RUFF: It's open to everybody, at what point
9 Southside?

10 MR. FARRAR: Southside, they were able to award 252
11 freshmen out of about 600 or 700 that applied.

12 MS. BALL: It's the freshmen group that got through.

13 MR. FARRAR: You always get the juniors and the
14 sophomores and the seniors.

15 MS. COLEMAN: If you reduced it, would it be a
16 burden for them to make up the difference in tuition?

17 SENATOR RUFF: It's money you take and make fewer
18 people not quite as happy and more people not quite as happy
19 and keeping those people happy. Just throw it out.

20 MR. MERRICKS: Let me make sure I'm reading this
21 right. We have 600-and-some seniors in Southside that are
22 going to get the money, in '15 or '16, I guess. So, next year,
23 those 600 people are going to drop down to freshmen. Rounding
24 it off, we had 750 freshmen total that were denied the funding,
25 out of the 600, I think you could leave it the same and have

1 enough. I don't think the pool has increased, I don't know, and I
2 don't know if the pool will increase, so I think if you think you
3 can cover it, the six percent.

4 SENATOR RUFF: I don't understand your math or if
5 that's your conclusion, I can live with it.

6 DELEGATE WRIGHT: Mr. Chairman, I'm not going to
7 say I understand this math either or I agree with his conclusion.
8 One reason we have the reduction and the number of people
9 enrolled in Southside. We know the success the community
10 colleges have had. So, increasing each year the amount of
11 money with the scholarship funds and not reduce the amount.

12 MR. FEINMAN: Mr. Chairman, might I suggest rather
13 than try to get the numbers and figure out those, Mr. Duffy
14 might be able to determine the terms.

15 MR. DUFFY: Let me just comment. All of these
16 scholarships are for four-year students. These are students
17 applying to four-year schools. When we did the analysis in the
18 office, we looked at this, and thought okay for Southside, that's
19 the pool that grew this year because we took the restriction and
20 the family off the table.

21 If you allotted the \$550,000 needed to cover the
22 freshmen in Southwest Virginia, it would fix the problem today,
23 but next year, you're going to be short that amount of money if
24 you don't change the total and not be able to award as many
25 students that you did this year. The freshmen picked this year,

1 and then next year, should increase the award or have to deny it
2 and that's going to make a lot of people very unhappy, who got it
3 one year and not the next.

4 So, it's a rolling ball financially, and it really is. It
5 boils down to do you stand firm now, take a hit this year? At
6 some point in time, if you just look at the economics and draw a
7 line, because you won't have the money to continue to fund it
8 again, assuming the four-year institutions.

9 SENATOR RUFF: We're not talking about raising it or
10 including more money. We're talking about how we're going to
11 divide it. So, we can leave it as is, so there'll be no motion on
12 that and accept the terms. So the motion would be the terms of
13 last year, '15-'16 will roll over to the term '16-'17. It's been
14 moved and seconded that we use the same criteria for '16-'17.
15 All in favor, say aye. (Ayes). Opposed? (No response).

16 Evan, you're up.

17 MR. FEINMAN: I'm going to turn this over to Tim.

18 MR. PFOHL: Thank you, Mr. Chairman. I direct your
19 attention to page 6 of your booklet, and it describes this year's
20 request for community college financial aid, and I'll very quickly
21 walk you through what was issued in terms of the call for
22 proposal. This is also like the four-year scholarship and targets
23 specifically the 2016-'17 school year. With directions from the
24 Committee and chairman of the Commission, the Staff notified
25 the community colleges their request should not exceed

1 \$450,000, and that's an increase of \$10,000 over last year's
2 proposals.

3 As I said, the requests were submitted only for use of
4 the 2016-'17 school year. When that school year wraps up and
5 we find out how much of those funds were not used, we'll pull
6 those back into the Education budget. Priority for awarding
7 funds to students is by last dollar after all other eligible state and
8 federal sources is exhausted. To serve full-time students
9 enrolled in STEM-H fields, applications were to provide the
10 expected number of academic credentials to be awarded to
11 recipients' financial aid at the conclusion of the 2016-'17 school
12 year. Applications were to provide the amount of requested
13 funds, the number of students served, and the anticipated
14 credentials for any sub-element of each request. You'll see those
15 in the summaries that follow. Applications were to provide the
16 expected amounts of matching funds to be provided for these
17 students from other state, federal, and private sources that were
18 available.

19 So, we received ten proposals in July requesting a
20 total of \$3.9 million. Summary charts follow for each request,
21 which lists the amounts requested, sub-elements of requested
22 funding, and expected credentials, and matching funds. For
23 instance, members of Tobacco families, the Appalachian
24 Mountain scholars, and programs at the Southwest colleges and
25 so forth. As I said, they also listed the expected credentials and

1 matching funds for each of those sub-elements.

2 The requests anticipate serving more than 2,200
3 students, resulting in more than 900 credentials and transfers to
4 four-year schools by the conclusion of the 2016-'17 school year,
5 leveraging matching financial aid of nearly \$6.8 million. All
6 requests provide equal or greater matching funds for the
7 students served.

8 The majority of the proposals either request
9 substantial funds, specifically for STEM-H students or provide
10 some estimates of other sub-programs, like the AIMS higher and
11 how many students will likely be enrolled in the STEM-H areas of
12 study.

13 Also, five colleges, Danville, John Tyler, Southside,
14 Southwest, and Virginia Western requested funds specifically or
15 some portion of their funds specifically for students preparing for
16 advanced manufacturing careers, which will train students at
17 foundational skill levels as a prerequisite to enter in mid-skills-
18 level training at the three Advanced Manufacturing Centers of
19 Excellence that have been established with funding from the
20 Education Committee. We'll talk about that later.

21 Staff considers all requests to be in full compliance
22 with the Committee's guidelines, as well as the new code
23 requirements for matching funds, alignment with Commission
24 strategic objectives. Staff recommends approval of all ten
25 proposals, totaling \$3,900,860 for the 2016-'17 school year as

1 submitted and summarized in your packet.

2 SENATOR RUFF: Tim, most of these requests are
3 rounded off like at \$450,000. Are we auditing community
4 colleges or asking for a recap to see that they're doing what they
5 say they're doing?

6 MR. PFOHL: Absolutely. The colleges submit a list of
7 all students that are being served with financial aid and the
8 request for release of grant funds. Sarah and Sara and their
9 staff members make sure that those are Tobacco Region
10 residents and we receive reports from the community colleges
11 matching funds that are provided these students. Carolyn, in her
12 role as a performance analyst, follows up and gets actual tuition
13 numbers from each of the grantees.

14 SENATOR RUFF: I would assume those extra pages,
15 6, 7, 8, and 9 are a recap of those?

16 MR. PFOHL: Yes, these are the requests, you can
17 start on page 8. The Central Virginia Community College, you
18 can see that they asked for three chunks of money: the STEM-H
19 Scholarships, \$235,000; the Tobacco Region Academic
20 Scholarships, \$210,000, and Tobacco Family Scholarships,
21 \$5,000. The STEM scholarships serve 121 students, and,
22 secondly, academic scholarships 108 students. And that was
23 \$210,000 to serve 108. And the Tobacco Family Scholarships
24 \$5,000. And you can see the matching funds. They're
25 summarized from each one of those. You've got a one-page

1 chart from each of the ten proposals.

2 SENATOR RUFF: I guess my question is on those
3 most of them don't add up in all columns, but some of them do.
4 Am I missing something in that equation?

5 MR. PFOHL: You're referring to the credentials don't
6 add up to the total number of students served?

7 SENATOR RUFF: Correct.

8 MR. PFOHL: Well, we have some students that are
9 not able to continue after a semester or two. We asked for the
10 number of students that are served or will receive their
11 credentials in this specific school year. You've got some first-
12 year students served that came back with next year's money and
13 will be counted as a credential a year from now. We asked for
14 completion of credentials in this specific school year, folks in a
15 course of two years be counted next year.

16 SENATOR RUFF: Any questions?

17 MR. MERRICKS: Is it possible to do a spreadsheet like
18 this for the actual dollars? Can you do that?

19 MR. PFOHL: That's actually what Carolyn follows up
20 with in terms of reporting, and she has been gathering that
21 information over the last few weeks from the community
22 colleges, the actual outcomes and reports to us by each college.
23 She just finished getting some of that in, in the last few days.

24 SENATOR RUFF: Is that in a form that you could mail
25 it to the Commission members?

1 MS. BRINGMAN: Yes. When I get that information,
2 I'll email it out.

3 SENATOR RUFF: I think it'll help the Committee going
4 forward.

5 DELEGATE KILGORE: When did we start?

6 MR. PFOHL: In 2000, when we initially provided
7 875,000 for the college.

8 SENATOR RUFF: How long just scholarships?

9 MR. PFOHL: I think five to six years, but just as a
10 little background, what we did was for the first ten years or so,
11 the Commission received annual requests and the colleges were
12 allowed to ask for some of it for financial aid and some for new
13 programs and so forth. About five or six years ago, we split the
14 two separate pots of money, and now we've received just the
15 financial aid request, but now it's called competitive education for
16 all, everything other than financial aid. New programs,
17 equipment, facilities, operating costs, et cetera. So, we split this
18 purely financial aid and later competitive education around.

19 SENATOR RUFF: Any other questions? Is there a
20 motion to accept the Staff's recommendation on the community
21 college financial aid portion?

22 MR. MERRICKS: So moved.

23 SENATOR RUFF: It's been properly moved and
24 seconded. Any further discussion? All those in favor, say aye.
25 (Ayes). Opposed? (No response). All right, thank you.

1 Now, it's time for public comment.

2 MR. PFOHL: I have a little more, Mr. Chairman. If I
3 could refer you to page 18 of the package. As a bit of
4 background, in 2014, the Commission designated three Centers
5 of Excellence for Workforce Training and Advanced Manufacturing
6 careers, specifically machinists, welders, and industrial
7 maintenance mechanics. The three Centers designated are the
8 Southern Virginia Higher Education Center based in South
9 Boston, serving a large part of Southside Virginia, the New
10 College Institute in Martinsville, Virginia, and the Southwest
11 Virginia Alliance for Manufacturing and based in Abingdon and
12 serving most of Southwest Virginia.

13 At the time of those designations, the Education
14 Committee provided \$2 million as an initial startup operating
15 grant funds to the three centers, a \$6 million total obligation
16 back in 2014. The Centers are all up and running and funds
17 initially have been used to bring on staff and instructors and
18 program directors to put in place equipment that was needed and
19 supervise the training in those three career paths and a variety
20 of other necessary expenses.

21 I'll remind folks this has been a multi-year effort for
22 both the Commission and the Commonwealth Center for
23 Advanced Manufacturing. Back in 2011, received the famous
24 Boston Consulting Report that laid down a blueprint for
25 establishing three centers across the Tobacco Region. Selection

1 of the Centers has been very significant and that's headed by
2 Bruce Sobczak, the Director of the Workforce Development at
3 CCAM. He's been with us all along and writing the RFP and the
4 proposal for the initial creation of the Centers. He's also been
5 helping us with this second phase of funding.

6 In May, Bruce from CCAM and both of the Sarahs and
7 I went to each of the Centers and asked them what progress
8 they were making, how much is that initial shock going to last
9 you. What we heard was that basically by the end of calendar
10 year 2015 the \$2 million obligations were going to run out.

11 This summer, Staff issued a call for proposals for
12 continuation funding or Phase II funding of the three Centers.
13 The Commission has budgeted over the last two years a total of
14 \$7 million of additional funding for Phase II, the request that's
15 before you today. So, we're beginning on page 18, and that
16 continues for several pages.

17 We received very elaborate applications for each of
18 the three Centers. The call is only open to the three Centers.
19 We did receive a lot of information back about progress that has
20 been made for the initial funding. We've also provided in your
21 Commission packet just the sections of the applications of how
22 they would use the Phase II funding. You can see there's a
23 number of expenses for additional equipment to continue to pay
24 and train the instructors and the program leaders with the Phase
25 I funding.

1 We have three requests before you today. The first is
2 the New College Foundation for \$1.9 million and change. The
3 second is on page 20 from the Southern Virginia Higher
4 Education Center for \$2 million for Phase II funding. The third is
5 from the Southwestern Alliance for Manufacturing at a request
6 for \$3,841,630. The Staff, along with Bruce Sobczak of CCAM,
7 have gone through this in tremendous detail, and we'll have
8 some comments and recommendations for each of these, and
9 we're prepared to hear those. There's also representatives from
10 all three Centers are here to present their proposals.

11 SENATOR RUFF: Bruce, come on up and give us a
12 status report and your thoughts.

13 MR. SOBCZAK: Yes, sir, thank you. This has been a
14 huge project, as you all know, and it's got a lot of moving parts
15 and it's very technical education and very advanced levels of this
16 education. The status today if I was to summarize, we've made
17 great progress in bringing a lot of new resources to the area in
18 the ways of new facilities serving the region.

19 You've got new welding labs, precision machine labs,
20 industrial maintenance labs, mechanics labs, PC learning centers,
21 distance learning sites, which is very important with the
22 geographical challenge out there.

23 The high tech equipment and purchases by the COEs,
24 and some of it is equipment that has not even been in this area
25 before. We've made equipment upgrades and additions to all the

1 partner sites that encompass quite a few with a foundational
2 training.

3 It covers eight area community colleges, eight-plus
4 private training centers, county school districts, and a growing
5 list of industrial supporters. Some of the high tech equipment,
6 we've added four or five -- sometimes and in most cases for the
7 very time in those regions. There's a new curriculum in some of
8 these levels and they're being pioneered now. These are at the
9 highest level industry certification and customs programs to fit
10 critical needs in the areas, like the Eastman project at the New
11 College Institute. That equates to direct jobs to Eastman, and
12 that curriculum is being developed.

13 We've pioneered some very innovative online learning.
14 This is not online learning like you'll see in a PowerPoint,
15 interactive and played like a video game. We've also tested that
16 with a pilot program of transitioning military out of Fort Lee, and
17 it did exactly what we had hoped it would do. We're not
18 professing we're going to make technicians at this level or at an
19 online level. What these modules of online learning did is that it
20 prepared students to meet the equipment, tools, and instructor
21 training for the first time.

22 So, those precious hours in the lab were not spent
23 doing very basic things. Like you stand here and this is the tool
24 you'd use, they were able to come in and be productive in those
25 labs. So, we keep investing in those high-bred programs. Of

1 particular importance in the Tobacco Region with all the
2 geographical challenges, I can't stress that enough. The
3 instructor development, which has now turned out to be one of
4 the greatest challenges in this whole thing. We've got instructors
5 being trained at Siemens Mechatronics at different levels,
6 working with Siemens, which is one of our CCAM founding
7 organizational members. They've never done Level II instructor
8 training, and we're working on them to try to bring that training
9 to Virginia for the first time in the state.

10 We've done train-the-trainer sessions, and we're
11 continuing to collaborate on that and all the new partnerships
12 and bring a whole network now for the training resources that
13 are well equipped and ready to go at advanced levels. So,
14 progress in my view is going well and very well, and we need to
15 continue to practice and need to put particular focus on the
16 instructor development and getting the right people and boots on
17 the ground in these various high tech labs and get that
18 knowledge base cranked up.

19 All the Center directors are here, if I could have them
20 come forward.

21 SENATOR RUFF: We'll ask you this, and they can fill
22 in the gaps. Can you explain how this is all meshing in with what
23 we're doing with the community colleges?

24 MR. SOBCZAK: In some many cases, or out of all the
25 community colleges across the entire Commonwealth, there's a

1 lot of disparity in the level of training and we know that there are
2 some super-star programs out there, and there are some that
3 were once great and we are pointing to those that have not been
4 upgraded since the 1980s and upgrading their equipment so that
5 foundational level that we need to feed these higher levels is
6 very important.

7 We've had to in many cases put equipment there,
8 we're starting new programs where they didn't exist before, like
9 the Patrick Henry Community College. With New College, we've
10 got Wytheville, and we've upgraded their equipment and there's
11 many cases of that.

12 Now, Mechatronics is the same story there. A lot of
13 the labs needed to be upgraded and new teaching techniques
14 upgraded and the curriculum, and we're going through all that.
15 We're getting instructors certified. There's a long list of
16 instructors being trained and certified by Siemens and others.
17 Some of the deals that we've made in purchasing equipment like
18 South Boston, and there's a long-term contract, over three years,
19 to help train the instructors in that regard. These foundational
20 programs, many of the instructors are trained in the community
21 colleges and then be able to bring this level where they're
22 transferrable to this level.

23 Also, we're taking different certifications at these
24 different locations. A good example would be welding. The
25 American Welding Society is one of the bodies that offers the

1 certification, and there's NCCR, and South Boston is doing a
2 cross-walk between the two credentials, because we're finding
3 now as we get out there that the AWS serves more of the
4 manufacturing community, but the NCCR is being desired by a lot
5 of the building trades, so there's a cross-walk, and we're getting
6 a lot more efficient in that.

7 By the way, we're adding facilities and abilities to get
8 these certifications so the community colleges are benefitting
9 from getting the certifications. As you know, there's very much a
10 push for that certification from the Governor's Office. So that
11 foundation has to be there. We're putting perhaps more work
12 than we thought we had to, to get the foundational things, but I
13 think we're very much poised to have that pipeline foundational
14 base ready to feed into these newer and higher level programs.

15 SENATOR RUFF: Who wants to lead off?

16 DR. ADAMS: I'm Betty Adams, and I'm the Executive
17 Director of the Southern Virginia Higher Education Center in
18 South Boston. Patty Nelson is the project team leader for the
19 Center of Excellence in South Boston. What I want to say, and I
20 think that Bruce has got it just right and has done a lot of
21 equipment installation and purchases, we're training instructors,
22 but from my perspective, we're seeing, considering the pathway
23 that we're building, the foundational level and credentials all the
24 way up to the advanced specialty level credentials. And that was
25 the intention of the Centers of Excellence, to really focus on that

1 piece.

2 We are working also to promote careers and
3 manufacturing with young people and that was another
4 important piece of this grant. That was to help drive new blood
5 into manufacturing careers. So, we have through our center held
6 eight or ten Dream It, Do It Camps throughout our footprint with
7 K through 12 students introducing them to manufacturing
8 careers. We've also had special programs with students to walk
9 them through the lab of some community college locations. It's
10 interesting that lightbulbs are coming on with some young
11 people, and it's really wonderful to see the interest.

12 On the other end of the spectrum what we didn't
13 expect to see that as businesses began to see the capabilities
14 with the advanced level of certifications that are coming to us
15 from more customized training. So, I see that perhaps as an
16 unexpected outcome. All in all, I feel really good about where we
17 are, and it's a heck of a lot of work, but I think it's been worth
18 the effort. Certainly we appreciate the support of the Tobacco
19 Commission and CCAM in helping us get there.

20 I'm going to let Patty make a few comments.

21 MS. NELSON: Hello, I'm Patty Nelson, I really don't
22 have a whole lot to say except there's still a lot of work to do out
23 there, and we really appreciate the continued support. We have
24 staff that needs to get their own credentials. We sent for some
25 Level I students for Level I training, and they passed that

1 certification that they needed, and they need to move on to Level
2 II and get that credential training

3 There's still a lot of work to be done in developing
4 these programs and community colleges and their foundational
5 programs, and they're getting stronger with the work that we're
6 doing together. The advanced and the specialties, there really
7 isn't much training out there right now in our region. This is
8 really where the Centers for Manufacturing Excellence is really,
9 can fill that niche, and it's an important training program to add
10 to our region. We appreciate all the support you've given us.

11 MS. BLEVINS: I'm Leanna Blevins. I'm the Acting
12 Director of New College Institute, and my partner, Dr. Angeline
13 Godwin, President of Patrick Henry Community College. We have
14 a lot of new equipment in place and facilities poised to be moving
15 forward for this equipment, as well. We've been working on the
16 front end of trying to build a pipeline of students that Betty
17 mentioned a few moments ago in trying to get young people
18 interested. And that's a challenge, and that's an opportunity in
19 Phase II, and do a better job of building that pipeline.

20 We've also done a lot of work on the back end with
21 industries and employers. In certain manufacturing is a good
22 example of the potential with our programs for the Centers of
23 Excellence. We completed in May a pilot year of manufacturing,
24 and you might think that doesn't directly relate to and not one of
25 the three areas designated and identified by the Boston

1 Consulting Group, that is correct. But a direct response to
2 industry demand and organizations that want to stay in
3 Martinsville and stay there and grow there.

4 In order for them to do that, Patrick Henry Community
5 College and New College Institute came together very quickly,
6 built a curriculum around that, put it into place, and now 93
7 percent of the students that are in that program are employed by
8 Eastman. That's a good way to use that design and replicate it
9 with our other programs within the Center of Excellence.

10 I want Dr. Godwin to talk a little bit about what she's
11 been doing, as well.

12 DR. GODWIN: This is a footnote for Dr. Blevins, and
13 one of the things we're excited about is that 80 percent of that
14 Center for Advanced Manufacturing that we need to understand
15 is a corps of advanced manufacturing. When you look at the
16 original guidelines, the Center, and when you look at industrial
17 maintenance and look at welding and those kind of things, it's a
18 corps of that advanced skilled work is certified technicians,
19 mechanical engineering practices, safety, and, of course,
20 mechatronics. We feel like there's a lot of synergy there that ties
21 everything together.

22 We know we have a participation challenge, and that's
23 what Dr. Blevins and I are working on and very specifically we
24 understand that neither one of our institutions can completely,
25 are drivers in our community, so whether it's third grade or every

1 Henry County seventh grader having college day with us, but our
2 colleges and institutions come together and do all kinds of
3 training. We know that participation challenges is one of our
4 challenges, and an outstanding challenge. It's one of the reasons
5 that we had positioned ourselves to ask for a mobile unit, not
6 only as a demonstration, while that has value alone, we didn't
7 feel that justifies the cost. And this is an ongoing cost, but
8 because it could do training.

9 What we wanted to do is be able to expand our flat
10 line and expand the footprint of the Center of Excellence and
11 leverage the resources that we have. When you put the Patrick
12 Henry Community College, and when you put the NCI resources
13 together, we carry a full continuum of exactly what we believe
14 was the intent of this Commission in funding the Centers of
15 Excellence.

16 We also believe we have a job to train the indigenous
17 workers that are already there. So, just as a footnote, our
18 service area in Patrick County, it's one hour on the bus for some
19 of our students from the extreme corner of Patrick County just to
20 the stewards up here. So, we know there's work to be done in
21 the most rural areas of our county.

22 The last point, and I feel with Dr. Blevins as a team,
23 we have a very strong chance of making new headway around
24 the Center of Excellence is reverse transfer. We have a number
25 of individuals in our community that have four-year degrees, but

1 they do not have the advanced manufacturing training, and they
2 don't have jobs. Because of this partnership, we're seeing more
3 and more advanced prepared individuals that may be under-
4 employed coming back and participating in our programs, and we
5 wanted to draw that to your attention.

6 We do appreciate what we've been able to accomplish
7 in Phase I because of funds from the Tobacco Commission.

8 SENATOR RUFF: Thank you all.

9 MS. SURRETT: Good afternoon, and thank you so
10 much for your fund. My name is Stephanie Surrett, and I
11 brought a few folks with me, my stakeholders and partners
12 throughout the region, and I'll introduce them. David Manley,
13 the executive director with the joint IDA, Jamie Mads, Shannon
14 Blevins, John Kilgore, IDA, Scott County, and Mickey Thompson,
15 all these people together are making our programs successful.

16 We have three centers, one in Duffield, Bluefield, and
17 Wytheville. All those are partnerships with the community
18 colleges. We're also partnering with Mountain Empire,
19 Southwest, Virginia Highlands, and Wytheville Community
20 College. And the fifth partner is Virginia Western in terms of
21 training and expertise.

22 Thus far we have, when we started a little bit behind
23 the eight ball compared to the other two centers, now we have
24 our ribbon-cutting on Thursday at 3:00 o'clock at the main
25 campus, and we're excited about that. I think including the work

1 that's been done, it's been very impressive. We have partnered
2 with our manufacturers, who are all part of our organization.
3 Some of the individuals here are also board members. We also
4 have technicians who do plumbing and wiring, and we've had
5 that work certified. We've had manufacturers laying carpet in
6 the classroom and including the plant manager, for one. What
7 I'm saying is that we certainly have a collaborative effort that
8 should be a model throughout Southwest Virginia.

9 We also have been working with the community
10 colleges and college instructors for the Siemens certifications,
11 and that includes Level I. Of those, three Level 1s now will
12 become Level 2s in April, God willing and the creek don't rise,
13 and we're hoping to get all that done.

14 I certainly believe where we started in January and
15 where we are now, it has been a mad dash towards our ribbon-
16 cutting ceremony. Classrooms are furnished and equipped, and
17 we have welding training in October, and in Wytheville in
18 October, as well. There is so much I could tell, and I really am
19 excited in what I'm saying, but I appreciate all the help you have
20 given us and just thank you for your tremendous support.

21 SENATOR RUFF: Any questions? Long-term
22 sustainability could be an issue, and I hope you all are
23 considering reaching out to market your training to other
24 businesses outside of the area, real cash money, because it'll
25 soften the blows and keep that in mind. Thank you all for

1 helping us.

2 Now, does anyone have any particular questions on
3 any of the three requests?

4 MR. MERRICKS: I have one question. So, after this
5 round, we should be in a position to actually have trained, what
6 I'm hearing is that we've got all this equipment but nobody to
7 turn the machine on. Am I understanding that right? Is that
8 what we're doing right now?

9 SENATOR RUFF: We're at various stages. Getting
10 people to the right spot.

11 MR. MERRICKS: So what I'm saying is that we should
12 start to see some results with all of this investment.

13 MR. PFOHL: Yes.

14 MR. SOBCZAK: Yes, we do have some results if you
15 want me to share some of that with you. The Eastman Company
16 is a great example, and I think that's 42 employees, and that's
17 the curriculum development that I was telling you about is
18 important, too.

19 What this system has been able to give us, and I can
20 give you an example of our transitioning military that we did at
21 Fort Lee. Since we had the synergistic collaboration that we're
22 working on and the Army came to CCAM and talked about some
23 other research things, there was a major general and a colonel
24 and said I really agree with this project you all are doing and
25 where we're at. Then he came to me after that meeting, would

1 you train transitioning soldiers in three months and what I call
2 the machine professionals, welding, and industrial maintenance?
3 I thought to myself, wow, that usually takes two-and-a-half to
4 three years, and I said let me think about that.

5 Since we were already working on this innovative
6 online interactive module, we already had that relationship going.
7 Then we went back to them and said we'll do that in three
8 months if you'll let them do seven weeks of this online, and there
9 were more complications to that. They started drawing several
10 parameters and said it had to be within 50 miles.

11 Originally, Dr. Adams and I were working on this
12 project and we designed a curriculum. In February, we came up
13 with a program and they said, no, you've got to be within 50
14 miles of Fort Lee. Since we already worked with Southside
15 Virginia Community College, and I know that center well. So, in
16 Emporia, and I was able to say with Dr. Adams probably
17 simultaneously we both said. So, we went up there and took a
18 look at the shop and looked at the equipment and we were short
19 two pieces of equipment that we needed and we had identified.

20 One of the criteria they had is that it had to be to
21 industrial, industry-recognized certification. What Betty did in
22 South Boston being part of the network, she sent two machines
23 up to Emporia. These are machines that cost \$72,000 to
24 \$80,000 and weigh as much as a school bus. Then we came
25 back and said we're ready to go if you can just give us seven

1 weeks of online training. Bring them in the shop eight hours a
2 day, five days a week, and get them credentials and I'll get them
3 jobs. We have 40-some employers lined up and ready to go.

4 Then I went back to them and said what is the funding
5 for this, and they said there is no funding. We didn't stop. We
6 didn't say no with this network.

7 Then eventually we found the funding, we got it
8 together. Now, we're in March, we've got the plans and the
9 financing and the labs and the instructors lined up. Then we
10 have to recruit from the military and recruits from recently
11 transitioned vets. We got together with the Soldier For Life
12 Program and the TAP Program at Fort Lee and the Virginia
13 Economic Division. We recruited, tested, and screened a group,
14 and then we started on April 10th and they graduated September
15 3rd. Four of them are working right now, and the rest of them
16 are ready to go as we speak.

17 The next group we've got 25 students signed up for
18 the next round of this training. That would not have happened
19 had you not invested. Now, that model is transferable all
20 throughout Virginia. We're already talking to the National Guard
21 to add that in.

22 The other opportunities that we're talking about, you
23 mentioned that sustainability. The customized training is an
24 avenue, and as these companies come in and see the metrology
25 lab and also at South Boston, so there is training available and

1 going on. So, more instructors will be trained, but the pipeline is
2 starting, and that's the important point, but there is real training
3 going on and there's real results that we can point to.

4 SENATOR RUFF: The most important part about that
5 Emporia thing, everybody understands what we've been saying,
6 you can train some people in a short timeframe and get those
7 people on the payroll and taking care of themselves and having
8 jobs.

9 MR. MOORE: Mr. Chairman, it sounds like to me that
10 we're off-track a bit from what the original goal was, specialty
11 training and specialty milling. What I heard was a lot of the
12 same type we had already. I didn't hear the specialty training or
13 the specialty milling. I know New College already has one of
14 those machines or I heard they did.

15 MR. SOBCZAK: As you heard Dr. Godwin from Patrick
16 Henry that coding machine from Eastman, that's at the highest
17 level of the mechatronics training profession, if you will. That's a
18 higher level than you produce in the labs. That training goes on,
19 on equipment, that's made for education. Once we get the
20 instructors in place on that, it'll be at the advanced levels like the
21 milling and the metrology lab like I mentioned, that's a science of
22 measurement C and C, that's really sophisticated stuff. You
23 might think we're off-track, but they all relate to industry.

24 One of the things in having the Boston Consulting
25 Group Report as used for guidance here, and the reason I located

1 here and took on this project was, and we were to help increase
2 the capacity of all the programs and we're doing that. And that
3 support is going to feed us and then at a higher level.

4 I have all the confidence in the world in all my years
5 in manufacturing with worldwide responsibilities from the CCAM
6 perspective. I am absolutely confident we've got in place some
7 of the best equipment and plans and curriculum to deliver this
8 training. Some of that training can be put in that category that's
9 happening now. On the foundational level, you need help to feed
10 this infrastructure.

11 If all of the programs across the region were up to the
12 levels of the very best programs, and there's a lot of disparity
13 there. We have to bring up the level and have a level playing
14 field to feed them.

15 MR. MOORE: A lot of what I heard training for
16 welding that we've been doing for years and that type of thing.
17 The Centers For Excellence were supposed to be specialty-type
18 people, not the same type of welding that we're doing, specialty-
19 type welding, specialty machines. What I'm hearing, is the
20 machine in Martinsville, is that up and in operation?

21 MR. SOBCZAK: Yes, those machines don't exist at the
22 other programs, and if you took a picture of that shop, you could
23 say there they are. That I-700 machine, that's the top-of-the-
24 line machine. The other machines that you'll see everywhere
25 else have live tooling capabilities, all the attachments and

1 avenues to that. The equipment we're buying, we spec'd out and
2 spec'd out every bit of that, because they might look the same,
3 and when you lift the hood, you'll see some advanced
4 capabilities, and that's what we have with the Centers of
5 Excellence, and we kept that standard and trying to maintain it.
6 And there's a standardization across all of this. In the methods
7 we're using, it is advanced.

8 MS. BLEVINS: I think what you were referring to, you
9 may be referring to that milling machine at the New College. It's
10 there, and that's sort of above and beyond what's available in
11 our community. Our issue is getting instructors trained to the
12 point where they can teach on that machine. That's been our
13 challenge, and that's where we are.

14 To Senator Ruff's point earlier, I've had three
15 employers come and look at that piece of equipment and I bring
16 in my employees and pay you to train them on this equipment.
17 Building that sustainable model is happening.

18 Now, the welding program that we use in conjunction
19 with Patrick Henry, that's robotic welding. That's what we've
20 added, and not what they've already been doing. It's adding
21 robotic in that next level.

22 MS. SURRETT: Something I wanted to say about the
23 Boston Consulting Group and they identified those three
24 credentialing organizations as national, but none of them
25 worldwide. In Southwest Virginia, if you talk to somebody about

1 manufacturing, they can't really say I have 50 men, Level 3, or
2 Siemens Level 2, they can't say that.

3 Currently, the community colleges have done a great
4 job of training and at Virginia Highlands. Over at Wytheville and
5 Virginia Highlands, we haven't sent any instructors. For local
6 manufacturers what they can produce has been top-notch.

7 When you're trying to recruit new industries and you
8 talk about Tommy and Joe Mitchell, that's one thing, but if you
9 talk about their credentials, like the NIMS, when you bring those
10 credentials to the communities and what we're doing is a little bit
11 differently.

12 MS. NELSON: In South Boston we had purchased a
13 very high level machine that Tier One Manufacturers use, so we
14 are developing training at that Level 2 working closely with
15 distributors and companies that use those machines. It's still a
16 process and we still have to work with them and convince them
17 that it's worth their investment for us to develop that training or
18 develop something that can be replicated for all companies that
19 use that equipment, but that is where we're headed on the
20 machines.

21 Mr. MERRICKS: Next year, when we meet, where will
22 we all be?

23 MS. NELSON: We expect this time next year, next
24 fall, we definitely will have individuals obtaining advanced and
25 specialty credentials. NIMS, probably AWS, or NCTER. We have

1 to first identify what the specific needs are in the region and
2 work towards those and develop the training. This isn't specific
3 training you take off the shelf, and we're working hard to
4 accomplish all this and we've got work to do. We've all been
5 working either filling positions or trying to get certain individuals
6 trained. Right now, at Southern Virginia Higher Ed Center, we
7 have two gentlemen that have Siemens Level I, but they would
8 also go in April to Berlin for the Siemens Level II. You've got to
9 get those credentials before you can provide the training for
10 those credentials.

11 By fall, next fall, for sure, if we don't have this
12 advanced training going on, then maybe we haven't done the
13 job, we expect to be able to do that.

14 DELEGATE MARSHALL: What I'd like to do is I'd like
15 to ask that we make this a once-a-year project for them to give
16 not only this committee, but also to the Full Board an update
17 what accomplishments have been done.

18 SENATOR RUFF: The Executive Director can do that
19 and work that out.

20 DELEGATE WRIGHT: At the beginning of this
21 program, I was concerned for students in the outlying areas that
22 are not near any of the Centers of Excellence, and I'd like to
23 know what the update on that is. You say this time next year
24 there should be some training going on. Does this include
25 students that live in Nottoway and Lunenburg and Amelia and

1 places that are a far distance away from the Centers of
2 Excellence?

3 MR. SOBCZAK: The distance learning has been, we
4 are pioneering in really innovative online programs for them.
5 We're working with the Department of Labor to get them
6 approved. When I went back to my roots in the auto industry, I
7 did an apprenticeship, today they call it the German Model
8 Apprenticeship, and I laugh at that because I did it in Detroit
9 years ago.

10 Then you went on the job and learned on the job and
11 went to school at night and you went to a brick-and-mortar
12 classroom and you learned about that, but your employer did
13 your training and signed off on what was called the Blue Book,
14 saying Bruce had done milling and lathing and when over that
15 four-year period when you got the times together, that was it.
16 We can go back to that and we can actually go to employers and
17 work on, and what we're going to do is have modules of online
18 learning that have credentials built into them and the OSHA
19 safety certification.

20 It's also a sanctioned apprenticeship program that
21 would be done online instead of driving to the classroom. They
22 would be working with the employer, and all of these programs
23 we're talking about we're creating a model.

24 The Military Program is a hybrid program that we can
25 do anywhere anytime as long we get the population right and get

1 people who can commit to that type of schedule. There is
2 affordability and design in all of our innovations that we're
3 bringing with this project.

4 DELEGATE WRIGHT: As I recall in my previous
5 discussion about a facility in Nottoway County, there's some
6 space available at Fort Pickett. What is that looking like? It's
7 one thing to have an apprentice program versus something that
8 you can go and take and there was something about having
9 credentials available in a short period of time.

10 DR. ADAMS: Delegate Wright, I think you and I had
11 that conversation, and I did meet with the folks from Nottoway,
12 along with Dr. Roberts from Southside Community College, we
13 met early on in the life of the project. Since then, we've focused
14 our efforts on building the infrastructure.

15 In addition to that, this is not going to solve this
16 problem, the distance in stretching resources, but we've received
17 a technical assistance grant to do a transportation feasibility
18 study that would develop a system that would connect the
19 existing transit organization that already exists in Southside that
20 would eventually help make access to these labs more available.
21 What we're having to do is do a lot of building right now and
22 getting our core model done and then we'll look out and see how
23 best to serve the folks in the outer area.

24 It's a real challenge, and it's going to be a challenge.
25 And our community colleges have attempted to offer some

1 programming in those areas and never able to get a large
2 enough number of people to participate to break even basically.

3 One of the things that we'll need the communities to
4 do to help insure that we get a number of participants in order to
5 be able to bring the program to an area. This is still on the table
6 and still something that we want to do. At the moment we're
7 trying to build that center of energy from the main area so that
8 we can then extend to the outer areas. I hope that helps answer
9 your question.

10 DELEGATE WRIGHT: Generally, it helps, but maybe
11 someone from Southside Community College could at least come
12 forward and maybe enlighten me some on how this process is
13 working to benefit community colleges.

14 MS. ELKINS: I'm Mary Jane Elkins, and I'm from
15 Southside Virginia Community College. We've been in
16 partnership in Emporia, and that's been very successful. A
17 welding lab on the Keysville campus is now AWS certified. We're
18 bringing students in from the high school, as well as doing open
19 classes for the community, and I can assure you we're working
20 with Dr. Adams and Ms. Nelson to work together to expand our
21 service area.

22 DELEGATE WRIGHT: That sounds good, and I feel
23 better having heard that.

24 MS. BLEVINS: This is a challenge to get the word out
25 and to get people interested in advanced manufacturing, and

1 have to learn what manufacturing was in the past and what it still
2 may be. One of the ideas that Patrick Henry Community College
3 is trying to work on what's called a mobile lab. We're very
4 sensitive to serving the rule of the rural in our area. I think a
5 footnote that Dr. Roberts, Southside, and Dr. Scism at the
6 Danville Community College, and myself, about a year ago, we
7 initiated a partnership, and we call it Virginia Works, and we
8 created which when there's opportunities for us to help us stretch
9 services in our region.

10 I think I mentioned it earlier that the far end of Patrick
11 County is one-hour time distance, and you have to put them on a
12 school bus to get to Stuart. So, getting to Martinsville, people
13 can't get there. I've been at this for about 35 years. I think it's
14 going to take a whole lot of effort around the edges.

15 We have to have dual enrollment in our high schools,
16 and we have some very sophisticated students there. I think
17 you're going to have to take training and demonstration into
18 those most remote areas, and you have to take it there to
19 demonstrate, and I think the community colleges and the New
20 College Institute and other higher education entities, I think
21 we're going to have to create threads like we never have before.
22 This is very expensive stuff, the equipment.

23 We've had two faculty-trained in Level II Siemens
24 instructors, and if we have to send them to Berlin, that's a major
25 investment. I've basically had to sell my kidney to get one of

1 them there. This is serious work. You're very correct in
2 expecting us to stretch way beyond the footprint. But I certainly
3 think this is a tremendous opportunity. We have very high level
4 skills and equipment that's really the Center of Excellence can
5 grow those for the benefit of the Commonwealth. Multiple
6 training and demonstration and not just show and tell, and I
7 think this would have tremendous benefit to spread the footprint
8 of the Center of Excellence.

9 DELEGATE WRIGHT: We hear about progress being
10 made in bringing folks in. Some of my folks are at least an
11 hour's drive, but I appreciate you all keeping that in mind and
12 seeing how we can increase the number of people, and students
13 in Southside and Southwest can take advantage of this.

14 SENATOR RUFF: Any other questions?

15 MR. MERRICKS: Do we need a motion as a group to
16 accept the Staff's recommendation?

17 Then I would move and I think we need to, I move we
18 accept the Staff recommendation for the three Centers of
19 Excellence request.

20 MR. OWENS: Second.

21 SENATOR RUFF: It's been moved and seconded that
22 we accept the Committee, Staff recommendation based on the
23 three Centers of Excellence. Any further discussion?

24 MR. PFOHL: I think it's important to note that a
25 couple of items mentioned in the Staff comments regarding

1 matching funds for these proposals. There are two requirements
2 for matching funds proposed by the recent Code changes. The
3 three Centers have been very aggressive pursuing in-kind
4 matching funds, such as Stephanie mentioned, the companies
5 that are providing experienced employees to serve as instructors
6 for some of these programs. A very substantial amount of
7 donated software for training purposes from Siemens and so
8 forth.

9 So, at least two or three in-kind matching funds
10 exceed the 25 percent limit of the overall matching funds
11 proposed by the new Code requirements. In accepting the
12 Staff's recommendation, I think it's important for the record to
13 note that two-thirds approval by the vote in Full Commission is
14 going to be needed to allow these folks to use these in-kind
15 matching funds. Staff is in agreement with that.

16 SENATOR RUFF: All right. Any further discussion? All
17 those in favor, say aye. (Ayes). Opposed? (No response).

18 Did you say there was one other item left off the
19 agenda?

20 MR. PFOHL: Yes, sir. Members of the Committee, we
21 work very hard not to spring surprises on you, and we've covered
22 a lot of ground in the last few weeks with these proposals and
23 the grant programs you'll hear about tomorrow, but we let one
24 slip through the crack, and for that, I'm tremendously apologetic.

25 A previous education grant from where there's a

1 competitive education program was awarded to the Virginia
2 Foundation for Community College Education, the Rural
3 Horseshoe Initiative, which is Grant Number 2583. For the last
4 two or three weeks, Evan and I have met with the project leaders
5 on that project. There were some challenges, and the project
6 was targeting GED completers to get them into the community
7 college program and workforce training programs. The national
8 changes to the GED program to go through an electronic testing
9 system at greater expense to each of the GED students. I've
10 seen a tremendous drop-off in GED completion over the last year
11 or so since those changes were put in place.

12 So, the Foundation for Community College Education
13 has asked us and we did receive a letter from them outlining this
14 request. Carolyn Lane with the Project Leadership is here to
15 speak to that. We want to ask the Committee to consider some
16 changes as to what you approved in the project design for that
17 grant.

18 As I said, it targeted GED completers. We
19 administratively would allow them to go back to folks that had
20 completed GEDs as far back as 2009, a five-year period, when
21 that request was submitted to us. The Foundation is asking us to
22 now also remove the 2009 time limit and allow anyone who has
23 completed the GED today in Virginia to be eligible for the
24 program.

25 Secondly, because the GED completion numbers have

1 dropped so significantly, they're asking for your authorization to
2 serve unemployed and underemployed low wage, low skill folks
3 and add high school graduates. These are the folks that
4 graduated from high school rather than completing the GED, but
5 have had difficulty obtaining a living wage employment
6 situation.

7 Secondly, the originally submitted and were approved
8 contingent upon word --

9 SENATOR RUFF: Hold on a minute, Tim. You have
10 heard what Tim said, and we'll change it from GED only to adults,
11 underemployed and unemployed, and I think we ought to go
12 ahead and take action on that motion and come back. Is there a
13 motion?

14 MR. MERRICKS: Does that include going back prior to
15 2009?

16 MR. PFOHL: Yes.

17 MR. MERRICKS: So moved.

18 SENATOR RUFF: Properly moved and seconded. Any
19 further discussion on that? All in favor, say aye. (Ayes).
20 Opposed? (No response).

21 MR. PFOHL: Thank you. The second piece of their
22 request, you get relieved from the \$1,000 per student cap that
23 was placed on this condition, the original award. The Foundation
24 and project leaders have said that some of these programs,
25 including commercial truck drivers, truck driver training, cost as

1 much as \$4,500, and the participants are unable to come up with
2 \$3,500 that would be needed after \$1,000 from the Commission
3 support.

4 So, they're asking permission to pay for the entire
5 tuition and fees cost for specific high demand skills and careers
6 that are targeted by each of the participating community
7 colleges. There are a number of community colleges in the
8 region that are part of this program.

9 Each community college would identify two or three
10 specific high demand career paths and full cost of tuition and fees
11 would be provided even if it's in excess of \$1,000 per student.
12 Carolyn can explain that better than I just did.

13 MS. LANE: Thank you. Carolyn Lane, and I'm Project
14 Director for this initiative. Would you like to hear a little more
15 detail about that for the second?

16 SENATOR RUFF: Let me explain it from my
17 perspective. We're talking about \$50,000 for each community
18 college. Essentially, we're spending almost \$5,000 for one, and
19 that only stretches it to about 10 people. That doesn't sound like
20 that's going to be very workable.

21 MS. LANE: The average price per credential in
22 Virginia is \$300. I think it would be more meaningful to pay for
23 the entire credential for the deserving population in the Tobacco
24 Region instead of giving \$1,000 with the hope they can come up
25 with an additional \$2,000 or \$3,000. Some credentials are below

1 \$1,000. A \$4,500 example from Mountain Empire Community
2 College. That is a commercial driver's license. There's no
3 financial aid for noncredit workforce training at this time.
4 Holding \$1,000 program is \$2,000 to \$3,000, if it's going to have
5 the impact that we're looking for. I would rather give meaningful
6 dollars to fewer participants.

7 SENATOR RUFF: Any thoughts on that? How would
8 you respond when I have employees at the community college
9 that they know of people who have registered for the class,
10 starting the classes and dropped out?

11 MS. LANE: That's something that we had thought
12 about and we considered how to have the student get skin in the
13 game. We don't want this to be something that's frivolously
14 undertaken. We explored the idea of how to make sure that the
15 students that were admitted going through some type of
16 interview process and see if they're able to complete that, but
17 that's something we thought about.

18 SENATOR RUFF: You thought about it, but was there
19 any skin in the game?

20 MS. DEAN: We had thought about having them going
21 through the program and about resume writing and things like
22 that, and then having to determine whether there's enough
23 resources around them to be able to support and commit to
24 something like this.

25 MR. MERRICKS: Mr. Chairman, some fell through the

1 cracks, but does the Staff have any thoughts on that?

2 MR. PFOHL: We have ever since the original
3 application, concern was that one of the target folks that would
4 otherwise be eligible for the community college financial aid and
5 the way to help to accomplish that. As we suggested during the
6 original process, was to target folks that are underemployed and
7 unemployed, but to get into a relatively fast training program or
8 a certified nursing assistant or aide, commercial truck driving,
9 maybe a ten-week program that would lead to immediate
10 employment, but are otherwise not eligible because of noncredit
11 programs for state and federal financial aid. We wanted to try to
12 target that group so those folks that are not currently being
13 served by our other community college financial aid. I think we
14 are concerned that the recipients have skin in the game. What
15 we're hearing is that a \$1,000 incentive is not sufficient to attract
16 those folks.

17 DELEGATE WRIGHT: I believe you all said you were
18 considering an interview process before the money is given.

19 MS. LANE: Yes, sir.

20 DELEGATE WRIGHT: I don't know why that's not
21 already being done, and how do you determine whether a person
22 is eligible?

23 MS. LANE: If I understand your question, is there a
24 method in place for going after some of these people?

25 DELEGATE WRIGHT: No, I'm saying that I heard you

1 say that considering having an interview process.

2 MS. LANE: Yes. The way the project is set up now is
3 that there is an application process currently, and there is a
4 system in place by which someone can, and we collect data on
5 this person. This is based on a model, I think, out of Virginia
6 Highlands whereby in order to receive certain benefits and we'll
7 probably model it after somebody that's already been in the
8 system, but, yes, we'll go through an application.

9 MS. COLEMAN: Can we do that?

10 SENATOR RUFF: Yes, we could do that, but the reality
11 is, they might drop out.

12 MR. MERRICKS: Mr. Chairman, how would it work if
13 we do away with the \$1,000 and did 75 percent of the cost, and
14 they put in 25 percent, and then whatever that works out, and
15 they would have some skin in the game, but we're covering the
16 bulk of it? They'd have some skin in the game.

17 MS. DEAN: Yes, I think that would be better, and
18 that's closer than the \$1,000.

19 SENATOR RUFF: Is that your motion?

20 MR. MERRICKS: I move that we do away with the
21 \$1,000, use 75 percent of the certification cost.

22 SENATOR RUFF: Is there a second?

23 MR. HARRIS: Second.

24 SENATOR RUFF: Any discussion on the motion that
25 we do away with the \$1,000 minimum and we go up to 45, they

1 do 75 percent of the costs of the program, with a cap, \$4,500
2 was the highest.

3 MS. DEAN: I think it was higher, I'm not an expert on
4 that. The average is 31.

5 DELEGATE WRIGHT: My concern is that, that don't
6 have 25 percent, and I know it's important for us to safeguard
7 the funds. What effect would that have on the applicant with the
8 25 percent? Is there a better way of safeguarding our funds, and
9 I'm not sure of the answer. Who does the payment currently go
10 to, the \$5,000?

11 MS. DEAN: It would be paid to the college for the
12 course work. The Tobacco Commission GED covers tuition and
13 mandatory fee only and also to pay for certification testing and
14 the course work is finished. So, that's the only thing that's
15 covered.

16 MS. ELKINS: I'm Mary Jane Elkins, Southside Virginia
17 Community College. Our staff is working with the VCCS on
18 getting our GED students into the program. As you know better
19 than anyone, it is a real problem in Southside Virginia. We need
20 to encourage our GED people to continue on into college. A
21 thousand seems like a lot of money to me, and a thousand
22 doesn't cover the cost of the program. I think if you will let us
23 continue to make every effort and work with the DCCS to make
24 the most out of this grant, it would be beneficial to students in
25 our area.

1 We commit to you that we will work hard, as hard as
2 we can to carry and the others in the DCCS to make sure your
3 money is not being wasted and students are getting credentials
4 that will enable them to get into the workforce.

5 MS. DEAN: One of the comments from one of your
6 colleagues in Southside said, some of them just can't commit and
7 one week some of these people that need to go are working night
8 and then days, but they can't quit that minimum wage job for
9 \$1,000.

10 DELEGATE MARSHALL: If Delegate Merricks' motion
11 passes and the 75 percent and they get a student loan for 25
12 percent?

13 MS. DEAN: We can't get a student loan for noncredit
14 course work.

15 DELEGATE MERRICKS: My second question is --

16 DELEGATE MARSHALL: And what is included and
17 what's not included?

18 MS. DEAN: You mean fees and tuition?

19 DELEGATE MARSHALL: Say truck driving, but could I
20 get one of these --

21 MS. DEAN: We had suggested that to the Tobacco
22 Commission, the schools could identify two or three type
23 credentials, and we've asked the schools the same question, and
24 industry.

25 DELEGATE MARSHALL: How do you determine that?

1 MS. DEAN: Work with the colleges and workforce
2 leaders and industries in your regions.

3 DELEGATE WRIGHT: Can I ask Tim to repeat the Staff
4 recommendation?

5 MR. PFOHL: Sir, we did not have a Staff
6 recommendation.

7 DELEGATE WRIGHT: Can you give a
8 recommendation?

9 MR. PFOHL: Based on what I've heard, I think Mr.
10 Merricks' concept is workable.

11 SENATOR RUFF: He asked the question could there
12 be a loan, and your response dealt with the federal loan. Is
13 there anything in the rules or the college foundations that they
14 could not loan from the college foundation?

15 MS. DEAN: I don't know the answer to that.

16 SENATOR RUFF: At most or at least in your case, is
17 there any rules in the college foundation that said they cannot
18 loan money to students?

19 MS. DEAN: No, sir.

20 SENATOR RUFF: So if we agree to the 75 percent,
21 then could you all limit that 25 percent and get beyond that --

22 MS. DEAN: We could try, I don't know.

23 MR. MERRICKS: What we're doing with the \$1,000
24 cap, apparently not covering the cost of the program, and with
25 no cap, and then --

1 MS. DEAN: -- Well, we'll be happy to work with the
2 Staff to try to come up with an answer.

3 SENATOR RUFF: All right. We've got a motion and a
4 second. All in favor of that motion, say aye. (Ayes). Opposed?
5 (No response).

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8 **PROCEEDINGS CONCLUDED.**

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CERTIFICATE OF THE COURT REPORTER

I, Medford W. Howard, Registered Professional Reporter and Notary Public for the State of Virginia at Large, do hereby certify that I was the Court Reporter who took down and transcribed the proceedings of the **Tobacco Region Revitalization Commission, Education Committee Meeting**, when held on Tuesday, September 22, 2015, at 2:30 o'clock p.m., at the Wytheville Meeting Center, Wytheville, Virginia.

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

Given under my hand this _____ day of October, 2015.

Medford W. Howard
Registered Professional Reporter
Notary Public for the State of Virginia at Large

MY COMMISSION EXPIRES: October 31, 2018.