

1 **TOBACCO REGION REVITALIZATION COMMISSION**

2 701 East Franklin Street, Suite 501

3 Richmond, Virginia 23219

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9 **Education Committee Meeting**

10 Monday, January 9, 2017

11 3:30 P.M.

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14 Homewood Suites by Hilton

15 Richmond, Virginia

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1 **APPEARANCES:**

2 The Honorable Frank M. Ruff, Chairman

3 The Honorable Donald W. Merricks, Vice Chairman

4 Ms. Gayle F. Barts

5 The Honorable A. Benton Chafin, Jr.

6 The Honorable Franklin D. Harris

7 Mr. Cecil E. Shell

8 The Honorable Thomas C. Wright, Jr.

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

2 COMMISSION STAFF:

3 Mr. Evan Feinman – Executive Director

4 Mr. Chris E. Piper – Deputy Executive Director

5 Mr. Timothy S. Pfohl – Grants Program Administration

6 Director

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

8 Southside Virginia

9 Ms. Michele Faircloth – Grants Assistant, Southside Virginia

10 Ms. Sara G. Williams – Grants Program Administrator,

11 Southwest Virginia

12 Ms. Jessica Stamper – Grants Assistant, Southwest Virginia

13 Mr. Jordan L. Butler – Public Relations Coordinator

14 Ms. Stacey Richardson – Executive Assistant

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16 COUNSEL FOR THE COMMISSION:

17 Ms. Elizabeth Myers, Assistant Attorney General

18 Richmond, Virginia.

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1 SENATOR RUFF: Good afternoon, I'm
2 going to ask Evan to call the roll.

3 MR. FEINMAN: Yes, sir, Mr. Chairman.
4 Ms. Barts?

5 MS. BARTS: Here.

6 MR. FEINMAN: Senator Chafin?

7 SENATOR CHAFIN: Here.

8 MR. FEINMAN: Ms. Coleman?

9 MS. COLEMAN: [No response.]

10 MR. FEINMAN: Mr. Harris?

11 MR. HARRIS: Here.

12 MR. FEINMAN: Mr. Merricks?

13 DELEGATE MERRICKS: Here.

14 MR. FEINMAN: Mr. Moore?

15 MR. MOORE: [No response.]

16 MR. FEINMAN: Senator Ruff?

17 SENATOR RUFF: Here.

18 MR. FEINMAN: Mr. Shell?

19 MR. SHELL: Here.

20 MR. FEINMAN: Senator Stanley?

21 SENATOR STANLEY: [No response.]

22 MR. FEINMAN: Delegate Wright?

23 DELEGATE WRIGHT: Here.

24 MR. FEINMAN: You have a quorum, Mr.
25 Chairman.

1 SENATOR RUFF: Thank you, Evan. The
2 first order of business is to approve the minutes of the
3 September 20th meeting published on the website. Is there a
4 motion?

5 MR. HARRIS: So moved.

6 MR. SHELL: Second.

7 SENATOR RUFF: We have a motion and
8 a second to approve the minutes. All in favor say aye. (Ayes.)
9 Opposed? (No response.) The minutes are approved.

10 The next thing we have to deal with is the
11 financial aid policy and Evan will lead that conversation.

12 MR. FEINMAN: This is a brief update,
13 Mr. Chairman. I want to let you all know we have heard from
14 the Committee that you are interested in us doing a deeper
15 dive on how to become true last dollar funders and take need
16 into account. I'm surprised by this outcome but that has
17 proven to be a more complicated and difficult endeavor than
18 we hoped it would be. So that is what we're going to do this
19 year with the prioritization that this Committee approved. I
20 pledge to you that ahead of our next year's funding for
21 scholarships we'll find a way to be more need sensitive than
22 just, there's a lot of different federal forms and a lot of ways to
23 figure out how many assets somebody is bringing to the table
24 and what makes sense and what does not make sense. We
25 also found out that our partners struggle with this as well. I

1 just wanted to give you an update in that regard and we're
2 working on it and we're going to get there and I apologize it
3 was a bigger task than we initially believed.

4 SENATOR RUFF: Any comments after
5 that? Hearing none, then we'll move on to the grant
6 applications. Tim, would you lead that?

7 MR. PFOHL: Yes, sir. You will remember
8 from the Committee's September meeting out in Wise County,
9 there was significant discussion about prioritizing workforce
10 financial aid to the community colleges through that annual
11 program as well as adding some new applicants. Therefore,
12 staff issued an announcement that we would accept
13 applications to what we used to call community college
14 financial aid but with the expanded applicant pool now we're
15 calling it workforce financial aid for the 2017/18 school year.
16 As you recall, we fund these things focusing on one school
17 year so when the next school year wraps up then we can
18 recover unused balances and then move on to the next year
19 and then we don't have grants carrying on year after year.

20 In conversations between Evan, Senator
21 Ruff and myself we kind of mapped out the use of Education
22 funds this year. Last year, your Committee had nearly \$13
23 million at its disposal and that figure is just over \$11 million
24 this year.

25 We announced that the community

1 college request would be capped at \$350,000 per institution
2 this year and these continue to be conforming with the
3 program guidelines that have been in effect for years. This
4 financial aid is to be last dollar after all other state and federal
5 and private funding sources have been exhausted and it
6 requires dollar for dollar matching funds. The priorities on
7 STEM-H advanced manufacturing career paths and a priority
8 on full time students and so forth. It is very consistent in that
9 aspect but the five new priorities that was in the report that
10 we emailed out late last week and I can walk through those
11 five if you would like but what we want to convey to you is
12 that the staff had a number of conversations with the
13 applicants and the applicants have made good faith efforts
14 that continue to offer financial aid that meets our objectives
15 and meets the needs of their students.

16 I think we would admit that in effect this
17 is a transition year where the Commission and our applicants
18 have tried to learn what the demand is for which is the new
19 top priority and that is workforce credentials to be obtained in
20 six months or less. You'll see some of the proposals that are
21 summarized in this report that was emailed to you if you don't
22 have it in front of you, please put your hand up and we'll get
23 you a copy. We included in the report the applicants
24 executive summaries describing their request and then the
25 outcome charges; how many students would be served under

1 each of the subprograms they are requesting money for, how
2 many of those students would earn credentials in the
3 2017/18 school year and so forth. The staff did not do a lot of
4 comments and recommendations on each one of these and the
5 chart really tells the whole story at describing the programs.
6 Certainly there are a number of presenters here today that
7 could outline that and answer any questions about those.

8 You'll see in this transition year in most
9 cases the amount of money that's estimated to serve those
10 priority one students in the six month or less programs is a
11 relatively small percentagewise number of the overall request,
12 generally in the fifteen to fifty thousand dollar range. Talking
13 about in terms of what that means and coordinating our
14 money with the new workforce credentials and another need
15 based financial aid state program and those workforce
16 credential students covered there and a portion of their
17 training costs.

18 In some cases, we have some applicants
19 that have asked for the majority or the great majority and
20 we're talking about \$330,000 or more in some cases for longer
21 term training programs. Those would be the students that
22 were not necessarily going to complete a program and get a
23 credential within one year and you can see the summaries in
24 the budget charts as well.

25 There are two first time applicants, one of

1 them is New River Community College and they've come to us
2 for the first time to serve students in Floyd County in the
3 Tobacco Region. The second is Southern Virginia Higher Ed
4 Center, which has been invited this year to apply along with
5 the Southwest Higher Ed Center and the New College Institute
6 and they have a fairly small request to serve their students in
7 their IT Academy and the Work Ready Foundation's training.
8 There's a request or we anticipate serving almost 2400
9 students, which is a pretty significant number resulting in
10 more than 1500 of the 2400 obtaining a credential in 2017/18
11 school year.

12 Let me wrap up by saying that staff is
13 supportive of these requests, but first for discussion with the
14 Committee is to what extent and which longer term training
15 assistance which I mentioned in some of these requests
16 should be considered for funding. That concludes my
17 remarks. I'll turn it back to you.

18 MR. FEINMAN: If I may, Mr. Chairman, I
19 think Tim is being delicate there. If you look at the
20 applicants, the vast majority of the money is going not to the
21 top one or two priorities but to those below it. Some of that
22 has to do with the cost of the line items and some of it may
23 not. Some reflects their priorities and not necessarily meshing
24 precisely with what this Committee wants. What we were
25 hoping to get from the Committee is a little direction into how

1 flexible you are regarding the priorities that we've laid out and
2 the requests we get from individual institutional applicants.

3 SENATOR RUFF: We'll open up the floor.
4 Does anybody want to speak on the issue?

5 DELEGATE WRIGHT: What's the nature
6 of the problems you see, what problem are we trying to solve?

7 MR. FEINMAN: I don't know that there's
8 a problem necessarily and not to pick on any particular
9 applicant but if you turn to the page Mountain Empire
10 Community College 3250, you'll see that more than half of the
11 funding they've asked for comes later in the prioritization
12 process. Some of that has to do with the relevant costs and
13 the priority in meeting those short credentials, which don't
14 carry as high a price tag as the others. We want to make sure
15 this Committee is aware and you all set out some priorities
16 there while the majority of the money is going to the non-top
17 priorities. We're comfortable with that if you are but we just
18 wanted to make you aware of that and we wanted to make
19 sure it was called to your attention.

20 MR. MERRICKS: Since our funds are
21 decreasing, we really need to stick to our priorities; what we
22 feel is important, would you not agree?

23 MR. FEINMAN: I think that's very
24 reasonable. You'll see we trimmed all of these amounts and it
25 came out to about fifteen percent, so we pulled these to fifteen

1 percent. I think in the coming budget year we might want to
2 propose a different funding strategy but we'll talk about that
3 leading up to the May meeting. I think this Committee is
4 going to need to decide how you want to make use of your
5 dollars.

6 SENATOR RUFF: Historically, the
7 community colleges received funding from the state based on
8 FTEs and we changed that equation last year, they can get
9 money for completing a program. For some community
10 colleges, that was a no brainer and some were reluctant to
11 move as fast.

12 If you take the welding program, all
13 community colleges prior to this year had that as a two year
14 program where they required X number of credit hours in
15 things other than welding so they could give an associate's
16 degree in welding and that was the funding path that they
17 had. They may actually get more money if they're able to turn
18 class every six weeks instead of two years. The issue is how
19 hard we push them toward the skills that are needed in our
20 communities.

21 DELEGATE WRIGHT: I just think we
22 need to be fair to all the community colleges and they
23 understand the job and they're very vital to our communities
24 and they need support from the Tobacco Commission and we
25 don't want to, of course, harm the job that they're doing but

1 you have some of these sub-priorities and rules. They just
2 need to be uniform across the board. There may be something
3 where they're unable to do it and it may be putting other
4 community colleges at a disadvantage and I don't know
5 whether they have to make some sacrifices or not. I'd just like
6 to see everybody held to the same thing.

7 SENATOR RUFF: Well, since there's so
8 little comment, maybe the best thing to do is watch this for a
9 year. If you look at Southside Virginia of their \$350, they've
10 put \$115,000 toward the credentials and \$160,000 toward the
11 STEM-H program that require more than six or eight or ten
12 weeks and then \$75 in another program. That's kind of the
13 thought process I think they ought to be having. Receiving
14 degrees that are going to send them out of the footprint to get
15 jobs doesn't seem to be a wise use of our money. Is there any
16 further discussion? Hearing none, we'll let it go as is but put
17 everybody on warning that we'll probably be a little tougher
18 next year. Do we have a motion to approve this year's funding
19 in a block?

20 MR. HARRIS: Second.

21 SENATOR RUFF: We have a motion and
22 a second. All those in favor say aye. (Ayes.) All opposed? (No
23 response.) That motion carries.

24 Do we have any public comment?

25 MR. FEINMAN: We may need a motion,

1 Mr. Chairman, to fund the four year distribution as well from
2 the September meeting.

3 SENATOR RUFF: From the September
4 meeting.

5 MR. PFOHL: Mr. Chairman, in
6 recognition of the budget this year, staff had discussed cutting
7 the regional scholarship programs by fifteen percent and Evan
8 has the numbers.

9 MR. FEINMAN: We've reviewed the
10 minutes and it turned out that we had a discussion about a
11 motion in the last meeting. There would be a fifteen percent
12 cut in the regional scholarship program that would be
13 \$4,467,965 for Southside and \$2,007,347 for Southwest, the
14 four year undergraduate. It would be a fifteen percent cut,
15 that's in the overall Education budget.

16 SENATOR RUFF: Frank Harris makes
17 the motion, seconded by Mr. Shell. Any further discussion?
18 All in favor say aye. (Ayes.) All opposed? (No response.) All
19 right, that passes. Any other surprises? Is there any public
20 comment now? Bruce, do you want to tell us anything about
21 the Centers?

22 MR. SOBCZAK: Senator, they're all well
23 and doing good and they're fully staffed now and we're looking
24 forward to an even better year than we had last year; looking
25 forward to September. Betty and Patty are here and they're

1 doing exciting stuff with the Siemens certification. They're
2 designated as one of the few places in the world that have the
3 Level III certification and that's a new thing to play with and
4 that's something that we're building that as we go on.

5 If you're familiar with Siemens, they've
6 become the gold standard for this kind of certification for the
7 industrial maintenance mechanic. They're very particular
8 about who they let use this and they've made a cottage
9 industry out of this. I had the opportunity to go to Berlin with
10 them. I thought that would be a celebration and a ceremony,
11 too, but it was more like a first date to me. They really check
12 you out and they take care of their products so we've got that
13 kind of exciting stuff going on.

14 Martinsville has been a challenge for us.
15 We have a new director on board there that's going to be
16 facilitating some instructor training and I've talked to you all a
17 lot about that. What we really need to do is invest in
18 instructors and in these advanced manufacturing areas it is
19 tough to hire instructors that are going to come in and do this
20 and that's something you'll hear me talk about because that's
21 one of the things that gives me heartburn and keeps me up at
22 night.

23 We're looking forward to September to tell
24 you how well we're doing and how well we'll do in this next
25 year.

1 SENATOR RUFF: Most of the people in
2 this room are not very familiar with what the Siemens III level
3 is. What does that mean in lay terms?

4 MR. SOBCZAK: They divide their
5 training up and the first level is a very competent production
6 person. In today's manufacturing environment there's a lot of
7 electronics and a lot of computers and automation and they
8 expose those students to that level of competence. The next
9 level up gets into how to put together these different systems.
10 Automation and mechatronics is a fancy word for automation.
11 When you ever go and fill up your car and it asks you if you
12 want that car wash and when you go through that that's really
13 mechatronics and automation. There are sensors and
14 proximity switches and it's bringing together the
15 computerization and the human element and the electronic
16 components in that and they work as a system. The second
17 level gets you to the point where you can fix, troubleshoot
18 these things and fix them and be a part of the maintenance
19 crew to support this stuff.

20 The third level was meant only for
21 engineering students and it was put in to only degreed
22 programs was the original intent. More and more factories are
23 automating. There's real value in the technician knowing
24 these levels and being able to design and put together systems
25 and make other systems talk so that third level was really

1 meant for engineers and developers. But today we're seeing
2 more and more than on the factory floor that level of
3 competency really has value.

4 That's kind of the three different levels.
5 It's an evolving and dynamic environment in advanced
6 manufacturing and we're grateful that Siemens has recognized
7 that and that's a testimony to Patty and Betty and they've
8 really worked to make that relationship strong.

9 SENATOR RUFF: Thank you, Bruce.
10 Anybody have any questions? All right, thank you Bruce.

11 If there is no other comments, the
12 meeting is adjourned.

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14 PROCEEDINGS CONCLUDED.

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1 CERTIFICATE OF THE COURT REPORTER

2
3 I, Medford W. Howard, Registered Professional
4 Reporter and Notary Public for the State of Virginia at large,
5 do hereby certify that I was the court reporter who took down
6 and transcribed the proceedings of the **Tobacco Region**
7 **Revitalization Commission Education Committee meeting**
8 **when held on Monday, January 9, 2017 at 3:30 p.m. at**
9 **the Homewood Suites by Hilton in Richmond, Virginia.**

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

13 Given under my hand this 18th day of January,
14 2017.

15
16 _____
17 Medford W. Howard

18 Registered Professional Reporter

19 Notary Public for the State of Virginia at Large

20
21 My Commission Expires: October 31, 2018.

22 Notary Registration Number: 224566