

TOBACCO REGION REVITALIZATION COMMISSION

701 East Franklin Street, Suite 501

Richmond, Virginia 23219

EDUCATION COMMITTEE MEETING

Monday, January 8, 2018

2:30 p.m.

Homewood Suites

Richmond, Virginia

CRANE-SNEAD & ASSOCIATES, INC.

4914 Fitzhugh Avenue, Suite 203

Henrico, Virginia 23230

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1 APPEARANCES:

2 Mr. Frank M. Ruff, Chairman

3 Ms. Gayle F. Barts

4 Mr. Frank Harris

5 Mr. Ben Chafin

6 Mr. Cecil Shell

7 Mr. William Stanley, Jr.

8 Mr. Tommy Wright

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10 COMMISSION STAFF:

11 Mr. Evan Feinman, Executive Director

12 Mr. Christopher E. Piper, Deputy Director

13 Mr. Timothy S. Pfohl, Grants Program Administration

14 Director

15 Ms. Stephanie S. Kim, Director of Finance

16 Ms. Sarah K. Capps, Grants Program Administrator,

17 Southside Virginia

18 Ms. Michele Faircloth, Grants Assistant,

19 Southside Virginia

20 Ms. Sara G. Williams, Grants Program Administrator,

21 Southwest Virginia

22 Ms. Jessica Stamper, Grants Assistant,

23 Southwest Virginia

24 Ms. Stacey Richardson, Administration Supervisor

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1 COUNSEL FOR THE COMMISSION:

2 Ms. Elizabeth B. Myers, Assistant Attorney General

3 Richmond, Virginia 23219

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1 January 8, 2018

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3 CHAIRMAN RUFF: Welcome to the
4 Education Committee. Evan, call the roll, please.

5 MR. FEINMAN: Yes, sir, Mr.
6 Chairman.

7 Ms. Barts?

8 She's here.

9 Senator Chafin?

10 MR. CHAFIN: Here.

11 MR. FEINMAN: Ms. Coleman?

12 Mr. Harris?

13 MR. HARRIS: Here.

14 MR. FEINMAN: Senator Ruff?

15 CHAIRMAN RUFF: Here.

16 MR. FEINMAN: Mr. Shell?

17 MR. SHELL: Here.

18 MR. FEINMAN: Senator Stanley?

19 MR. STANLEY: Here.

20 MR. FEINMAN: Delegate Wright?

21 MR. WRIGHT: Present.

22 MR. FEINMAN: You have a quorum, Mr.
23 Chairman.

24 CHAIRMAN RUFF: Thank you.

25 The minutes were published on the

1 website for September 19th. Is there a motion to
2 approve those?

3 MR. SHELL: So moved.

4 MR. HARRIS: Second.

5 CHAIRMAN RUFF: All in favor say aye
6 (Ayes).

7 All opposed. (No response.)

8 Evan, do you want to go -- well,
9 let's see. Let's -- yeah, go ahead. Go ahead,
10 Evan.

11 MR. FEINMAN: Well, Mr. Chairman,
12 we're actually -- the policy review is actually
13 just a reminder that, you know, we've switched over
14 to the loan program from just straight grants and
15 scholarships. And the reason for that is that we
16 were finding that if we give somebody a scholarship
17 and then they don't come back to the region, not
18 only have we not helped the region, we've actively
19 funded somebody leaving the region, which is not a
20 benefit to the staff or region. And so we switched
21 last year to forgivable loans.

22 You can take a loan from us. And if
23 you return to the footprint, that loan is forgiven
24 on a per year basis. So, for each year you live
25 and work in the region, we forgive one year of our

1 loan. If you leave, however, you just need to pay
2 us back. No harm, no foul.

3 What we're finding is that the take
4 rate on those loans is not as high as the take rate
5 was on scholarships. I don't think that's
6 necessarily a negative thing. I think what we're
7 learning is that instead of people who were not
8 particularly committed to coming back to the region
9 are no longer receiving our funds and I think
10 that's a good outcome.

11 The second issue that we wanted to
12 bring before you, and then you have one piece of
13 business on which you need to vote, is something
14 Tim's gonna go through, and it has to do in the way
15 in which the various recipients of the workforce
16 financial aid; now recall, that's the two-year and
17 less workforce funding, as opposed to the classic
18 four-year scholarship fund. And there's been a
19 real up and down in the way in which this
20 committee's priorities have been followed by the
21 various grant recipients, and Tim can walk you
22 through that. That's in the graph following your
23 agenda in your book.

24 CHAIRMAN RUFF: All right. If we
25 follow the policy on the four-year program, I would

1 welcome a motion to me, 2 million for Southwest and
2 4.5 million for Southside. Is there a motion?

3 MR. HARRIS: I'll second it.

4 CHAIRMAN RUFF: All right. Move and
5 second that we go with the -- continuing the
6 four-year program as we did last year, with
7 Southwest getting 2 million dollars and Southside
8 4.5. Any further discussion?

9 All in favor say aye (Ayes).

10 All opposed? (No response.)

11 All right. Tim, are you gonna walk
12 us through the spreadsheet you have?

13 MR. PFOHL: Yes, sir.

14 CHAIRMAN RUFF: Okay.

15 MR. PFOHL: So, a year ago in this
16 room the commission approved workforce financial
17 aid for the 2017-18 school year that we're
18 currently in. And your committee had adopted
19 several priorities in rank order, and that's the
20 left-hand column leading up with number one; all
21 certifications that can be completed in six months
22 or fewer.

23 When your committee met again in
24 Galax in September, you wanted to hear how the
25 funds were being used. And, so, we got in touch

1 with the recipients and asked for their fall 2017
2 numbers, and that's what you see in front of you.
3 The number of students and the dollar committed,
4 dollar amounts committed for each of the priorities
5 that are conditions of the current school year
6 funding, primarily for the community colleges, but
7 also for the higher Ed centers.

8 One subset of issues related to that
9 is the -- in the left-hand column, that last
10 category; students receiving new economy workforce
11 credential funding, which is State appropriation.
12 The commission supports 1/6 of the cost of the
13 training program and certification. So, 2/3 is
14 covered by state funding. The student is
15 responsible for 1/3 and we're to cover half of what
16 the student is responsible for.

17 And the issue is that apparently
18 that funding has been used for the current state
19 budget year, which is a wonderful thing, but it
20 means that for the second half of the current
21 budget year, the first six months of 2018, there's
22 no money available from the state program, the new
23 economy workforce credential funding.

24 So, this has been brought to our
25 attention by the community colleges and higher Ed

1 centers. And they have asked graciously if we
2 would consider relaxing that 1/6 limitation, in
3 terms of working with students for non credit
4 training and certification, that is otherwise not
5 eligible for anything other than our funding and
6 the state's new economy credential funding.

7 So, I'm not going to go through all
8 those columns for you. It's meant to illustrate
9 how the dollars and the first half of the school
10 year have been spent across all those priorities.
11 If you want to look at any one of those
12 individually, I think there probably are people
13 here from each of those institutions that will be
14 happy to explain their demand to you.

15 CHAIRMAN RUFF: Following up on
16 that, we had hoped that the governor and his
17 budget, boost budget would put some more money into
18 it. He did not. I have a budget amendment that
19 will be going in that will hopefully carry us
20 through June 30th. So, I think that that will be
21 looked on favorably.

22 Does anybody -- everybody understand
23 Tim's spreadsheet?

24 It's a little complicated.

25 MR. FEINMAN: Each community college

1 has two columns and you can see there's four per
2 sheet.

3 MR. SHELL: Four per sheet. That's
4 right.

5 MR. FEINMAN: In an ideal world, the
6 higher numbers would be higher on our priority list
7 on a per student basis. Something we had mentioned
8 to this committee in the past is that a number of
9 grant recipients are somewhat less scrupulous in
10 following this committee's prioritization than we
11 would prefer. And, you know, I'll point out that
12 community colleges are great friends of ours and
13 partners, which has bought them some leeway, where
14 any other grantees, to be as cavalier with grant
15 requirements as some of these folks are, we would
16 be initiating fallbacks.

17 It's my view as director that we
18 need to be a little tougher. If this committee
19 lays out what it wants to see, in terms of where
20 its money goes and then its money doesn't go in
21 that direction, our policy of funding each
22 community college effectively, equivalent rates
23 should be modified and I think in the following
24 final year you're gonna see Staff recommendations
25 to that effect.

1 CHAIRMAN RUFF: Does anybody from
2 the higher Ed centers or community college
3 misunderstand what Evan's just said?

4 A SPEAKER: We got it.

5 MR. FEINMAN: I can be more clear if
6 you want.

7 CHAIRMAN RUFF: Good. We've saved a
8 whole 10 minutes there.

9 MR. EHRHARDT: May I ask a question?

10 CHAIRMAN RUFF: Sure.

11 MR. EHRHARDT: Is there specific
12 performance measures; for instance 20 percent or is
13 it just prioritized generally?

14 MR. FEINMAN: It's just prioritized
15 generally. And, so, we understand that, you know,
16 each institution doesn't have an identical student
17 profile. However, when things get very lopsided
18 toward our local authorities, even in parts of the
19 Commonwealth where we happen to know there's a
20 demand for -- for example, six-month credentials,
21 or other specific non credit workforce credentials,
22 perhaps in service to specific programs the
23 community colleges are running separate from ours,
24 we get that sense that our money is simply not
25 being used according to the priority set forth by

1 this committee.

2 MR. EHRHARDT: Thank you.

3 CHAIRMAN RUFF: Let me follow that
4 up by saying that there was an extensive
5 requirement of the community colleges to evaluate
6 the needs for workforce in their footprint. So, if
7 you keep in that line of communication open on an
8 ongoing basis, there should be no problem, it
9 should line up pretty well. But we don't always do
10 things the way we should.

11 There was an announcement in today's
12 paper, I think, that said we had a record number of
13 college graduates this year. The number one and
14 number two were psychology and sociology. That far
15 exceeds our need for psychologists and so we're
16 having a little bit of a tough time making people
17 understand. So everybody beginning in the
18 kindergarten teachers need to be explaining why you
19 get education. Education in itself is not a
20 solution.

21 Is that a fair statement?

22 MR. PFOHL: Yeah. Mr. Chairman, I
23 think the bottom line on the chart is that a year
24 ago the committee recommended funding for each of
25 these institutions not to exceed \$350,000 each. I

1 think they're looking for us to give them a signal
2 on how much they're going to have available that
3 they can start marketing to their students in
4 spring for the summer and fall of next year. So,
5 we don't have a specific recommendation going up or
6 down on that, as well.

7 CHAIRMAN RUFF: Well, I don't see us
8 going up, at this point. We'll have to wait for a
9 later meeting to decide what the actual number is.
10 If each one of the community colleges will look at
11 the numbers and how they rate against the other
12 community colleges, think about going down more.
13 For those that are focused on where we need to be,
14 at least hold them where they're at.

15 MR. FEINMAN: And, Mr. Chairman, I
16 would also add that I think a great deal of that
17 has to do with whether or not your budget
18 resolution is successful. Because, of course, the
19 number one priority was that once it's matched for
20 the new economy workforce credential.

21 CHAIRMAN RUFF: Yeah. So, I
22 can't -- we cannot come up with a dollar amount
23 today, but I hope that that helps give you
24 guidance.

25 Any other questions?

1 All right. Do we have any other
2 business?

3 MR. FEINMAN: Mr. Chairman, we
4 don't.

5 The one thing that, you know, you
6 approved the four-year loan. And, so, I don't
7 believe we have any other issues before you. So I
8 think -- Chris, is that right?

9 All right. Then, no, Mr. Chairman.
10 Your business is concluded.

11 CHAIRMAN RUFF: Is there anyone in
12 the audience that would like to make any public
13 comment, at this time?

14 Hearing none, we have a great short
15 meeting. The meeting is adjourned.

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17 (At this time, the hearing is
18 adjourned.)

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CERTIFICATE OF THE COURT REPORTER

I, Jacqueline Barreto, Certified Court 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 Virginia Tobacco Region Revitalization Commission, Education Committee Meeting, when held on Monday, January 8, 2018, at 2:30 p.m., at the Homewood Suites, Richmond, 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 18th day of January, 2018.

Jacqueline Barreto

Certified Court Reporter

Notary Public for the State of Virginia at Large

MY COMMISSION EXPIRES: October 31, 2018