

1 **TOBACCO REGION REVITALIZATION COMMISSION**

2 701 East Franklin Street, Suite 501

3 Richmond, Virginia 23219

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9 **Full Commission Meeting**

10 Wednesday, September 20, 2017

11 9:00 A.M.

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14 The Crossroads Institute

15 Galax, Virginia

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- 1 **APPEARANCES:**
- 2 The Honorable Terry G. Kilgore – Chairman
- 3 The Honorable Frank M. Ruff – Vice Chairman
- 4 Ms. Gayle F. Barts
- 5 The Honorable Kathy J. Byron
- 6 Mr. John Cannon
- 7 The Honorable Charles W. Carrico, Sr.
- 8 Ms. Mary Rae Carter
- 9 The Honorable A. Benton Chafin, Jr.
- 10 Ms. Rebecca Coleman
- 11 The Honorable James Edmunds
- 12 The Honorable Cecil Gooden, Secretary, Agriculture & Forestry
- 13 The Honorable Franklin D. Harris
- 14 Mr. John Holland
- 15 Ms. Cathy Lowe
- 16 The Honorable Daniel W. Marshall, III
- 17 Mr. Robert Mills, Jr.
- 18 Mr. A. Dale Moore
- 19 The Honorable James W. Morefield
- 20 The Honorable Edward Owens
- 21 Mr. Cecil E. Shell
- 22 Mr. Robert Spiers
- 23 The Honorable William M. Stanley, Jr.
- 24 Mr. Richard R. Sutherland
- 25 The Honorable Thomas C. Wright

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

2 COMMISSION STAFF:

3 Mr. Evan Feinman – Executive Director

4 Mr. Christopher E. Piper – Deputy Director

5 Mr. Timothy S. Pfohl – Grants Director

6 Ms. Stephanie S. Kim – Director of Finance

7 Ms. Sarah K. Capps – Grants Program Administrator,
8 Southside Virginia

9 Ms. Michelle 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 Ms. Stacey Richardson – Administration Supervisor

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16 COUNSEL FOR THE COMMISSION:

17 Ms. Elizabeth Myers, Assistant Attorney General
18 Richmond, Virginia.

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1 DELEGATE KILGORE: Please turn to
2 page three. I want to thank The Crossroads Institute for
3 hosting us here today and yesterday. We had a great event
4 and a wonderful facility and a great reception last night. I'd
5 also like to thank all our sponsors for dinner last night and a
6 great atmosphere, so we really enjoyed that and we appreciate
7 it. Evan, if you'd call the roll.

8 MR. FEINMAN: Thank you. Ms. Barts?

9 MS. BARTS: Here.

10 MR. FEINMAN: Secretary Brown?

11 SECRETARY BROWN: (No response.)

12 MR. FEINMAN: Delegate Byron?

13 DELEGATE BYRON: Here.

14 MR. FEINMAN: Mr. Cannon?

15 MR. CANNON: Here.

16 MR. FEINMAN: Senator Carrico?

17 SENATOR CARRICO: Here.

18 MR. FEINMAN: Senator Chafin?

19 SENATOR CHAFIN: Here.

20 MR. FEINMAN: Ms. Coleman?

21 MS. COLEMAN: Here.

22 MR. FEINMAN: Delegate Edmunds?

23 DELEGATE EDMUNDS: Here.

24 MR. FEINMAN: Secretary Goodin?

25 SECRETARY GOODIN: Here.

1 MR. FEINMAN: Mr. Harris?
2 MR. HARRIS: Here.
3 MR. FEINMAN: Ms. Carter?
4 MS. CARTER: Here.
5 MR. FEINMAN: Mr. Holland?
6 MR. HOLLAND: Here.
7 MR. FEINMAN: Delegate Kilgore?
8 DELEGATE KILGORE: Here.
9 MR. FEINMAN: Ms. Lowe?
10 MS. LOWE: Here.
11 MR. FEINMAN: Delegate Marshall?
12 DELEGATE MARSHALL: Here.
13 MR. FEINMAN: Mr. Merricks?
14 MR. MERRICKS: [No response.]
15 MR. FEINMAN: Mr. Mills?
16 MR. MILLS: Here.
17 MR. FEINMAN: Mr. Montgomery?
18 MR. MONTGOMERY: [No response.]
19 MR. FEINMAN: Mr. Moore?
20 MR. MOORE: Here.
21 MR. FEINMAN: Delegate Morefield?
22 DELEGATE MOREFIELD: Here.
23 MR. FEINMAN: Mr. Owens?
24 MR. OWENS: Here.
25 MR. FEINMAN: Senator Ruff?

1 SENATOR RUFF: Here.

2 MR. FEINMAN: Mr. Shell?

3 MR. SHELL: Here.

4 MR. FEINMAN: Mr. Spiers?

5 MR. SPIERS: Here.

6 MR. FEINMAN: Senator Stanley?

7 SENATOR STANLEY: Here.

8 MR. FEINMAN: Mr. Sutherland?

9 MR. SUTHERLAND: Here.

10 MR. FEINMAN: Delegate Wright?

11 DELEGATE WRIGHT: Here.

12 MR. FEINMAN: You have a quorum, Mr.

13 Chairman.

14 DELEGATE KILGORE: All right, thank

15 you. Do I have a motion that we approve the minutes, the

16 5/8/17 minutes?

17 DELEGATE WRIGHT: So moved.

18 MR. OWENS: Second.

19 DELEGATE KILGORE: All those in favor

20 say aye. (Ayes.) Opposed? (No response.) The minutes are

21 approved.

22 The first thing we have is the Executive

23 Committee, which we met a few minutes ago and coming out

24 of that we have two motions.

25 SENATOR RUFF: Mr. Chairman, I move

1 that we accept the Executive Committee's recommendation to
2 request a corpus invasion of up to twelve percent for Fiscal
3 Year '18 contingent upon moving forward on certain economic
4 development projects.

5 MR. OWENS: Second.

6 DELEGATE KILGORE: Any discussion
7 on that motion? All right, this will be a roll call vote.

8 MR. FEINMAN: Ms. Barts?

9 MS. BARTS: Yes.

10 MR. FEINMAN: Secretary Brown?

11 SECRETARY BROWN: (No response.)

12 MR. FEINMAN: Delegate Byron?

13 DELEGATE BYRON: Yes.

14 MR. FEINMAN: Mr. Cannon?

15 MR. CANNON: Yes.

16 MR. FEINMAN: Senator Carrico?

17 SENATOR CARRICO: Yes.

18 MR. FEINMAN: Senator Chafin?

19 SENATOR CHAFIN: Yes.

20 MR. FEINMAN: Ms. Coleman?

21 MS. COLEMAN: Yes.

22 MR. FEINMAN: Delegate Edmunds?

23 DELEGATE EDMUNDS: Yes.

24 MR. FEINMAN: Mr. Harris?

25 MR. HARRIS: Yes.

1 MR. FEINMAN: Ms. Carter?
2 MS. CARTER: Yes.
3 MR. FEINMAN: Mr. Holland?
4 MR. HOLLAND: Yes.
5 MR. FEINMAN: Ms. Lowe?
6 MS. LOWE: Yes.
7 MR. FEINMAN: Delegate Marshall?
8 DELEGATE MARSHALL: Yes.
9 MR. FEINMAN: Mr. Mills?
10 MR. MILLS: Yes.
11 MR. FEINMAN: Mr. Moore?
12 MR. MOORE: Yes.
13 MR. FEINMAN: Delegate Morefield?
14 DELEGATE MOREFIELD: Yes.
15 MR. FEINMAN: Mr. Owens?
16 MR. OWENS: Yes.
17 MR. FEINMAN: Senator Ruff?
18 SENATOR RUFF: Yes.
19 MR. FEINMAN: Mr. Shell?
20 MR. SHELL: Yes.
21 MR. FEINMAN: Mr. Spiers?
22 MR. SPIERS: Yes.
23 MR. FEINMAN: Senator Stanley?
24 SENATOR STANLEY: Yes.
25 MR. FEINMAN: Mr. Sutherland?

1 MR. SUTHERLAND: Yes.

2 MR. FEINMAN: Delegate Wright?

3 DELEGATE WRIGHT: Yes.

4 MR. FEINMAN: The motion carries.

5 DELEGATE KILGORE: That motion
6 carries.

7 SENATOR RUFF: Mr. Chairman, I would
8 also move that the Executive Committee's recommendation
9 that in the prospect incentive fund for a certain economic
10 development project.

11 DELEGATE KILGORE: Do I have a
12 second?

13 MR. OWENS: Second.

14 DELEGATE KILGORE: All those in favor
15 of that motion say aye. (Ayes.) Opposed? (No response.)
16 That motion carries. I think that's all the business we have
17 coming out of the Executive Committee. Mr. Spiers,
18 Agriculture.

19 MR. SPIERS: On page four, some on five,
20 six, seven and eight. Mr. Chairman, we met yesterday and
21 heard a report from staff on the impact of cost shared grants.
22 The Agribusiness Committee had disbursed over what they
23 had disbursed over the last number of years. The report
24 included an overview of the types of projects or practices that
25 were funded, the number of producers by area particularly

1 keeping track of Southwest. It was 1364 participants and
2 grants were \$3.2 million and the match was something
3 around \$6 million. It also included a breakdown by county
4 practice. We also received information on Southside, 1,097
5 producers participated and grants were \$2.3 million and their
6 match was \$7.3. The information in more detail is on five, six,
7 seven and eight of your book. You can see from that the
8 match was anywhere from \$2.1 up to \$3.1.

9 We were also given examples of how
10 producers or how the practice has increased revenue.
11 Particular examples of increasing the value of the cattle
12 market now had increased their income and some of the
13 practice saving increased their income.

14 I think you can see from the data the
15 practices were well administered and able to recover
16 information all the way back to 2004 on some of these
17 practices. I think the Committee is very confident the farmers
18 are widespread and these practices are very beneficial to our
19 farmers in the footprint.

20 The other item we covered was the next
21 funding cycle and we will target certain areas such as high
22 value low acreage crops, value added processes and market
23 development continuing the cost share. Are there any
24 questions by Committee members?

25 DELEGATE KILGORE: I like the match

1 you were able to get, \$2.3 that's pretty good return. Any other
2 questions? All right, thank you. Next is Education
3 Committee, Frank.

4 SENATOR RUFF: Mr. Chairman, we met
5 yesterday and motions coming out of that meeting are move
6 that the Commission accept the Education Committee's
7 recommendation grants #2882 and #3098 found in the
8 supplemental package originally issued to the New College
9 Foundation be reassigned to the New College Institute under
10 new grant agreements. Staff recommends the new agreements
11 retain the original start date and that the end date on grant
12 #2882 be extended to September 23rd, 2019 to allow two years
13 for implementation. Staff has further recommended that this
14 be conditioned on the development of two items. One, detailed
15 training plan and partnership agreement and two, a revised
16 detailed budget which clearly aligns project costs to training
17 programs and objectives, to be approved by the Commission's
18 Executive Director.

19 DELEGATE KILGORE: Both of those deal
20 with the New College Institute?

21 SENATOR RUFF: That is correct.

22 DELEGATE KILGORE: Any other
23 questions? Do I have a second? All right, I've got a second.
24 Any further discussion? All those in favor say aye. (Ayes.)
25 Opposed? (No response.)

1 SENATOR RUFF: I move the Committee
2 accept the Education Committee's recommendation that \$1.7
3 million from competitive education funds be obligated to
4 project transformer conditioned that the project move forward.

5 DELEGATE KILGORE: Do I have a
6 second? I've got a second. Any discussion? All those in favor
7 say aye. (Ayes.) Opposed? (No response.) Motion carries.

8 SENATOR RUFF: Mr. Chairman, I move
9 that the Committee accept the Education Committee's
10 recommendation for a fifth year extension through September
11 26, 2018 grant number 2583, which is found in the
12 supplemental.

13 DELEGATE KILGORE: Do I have a
14 second?

15 MR. MILLS: Second.

16 DELEGATE KILGORE: I've got a motion
17 and a second. Any more discussion? All those in favor say
18 aye. (Ayes.) Opposed? (No response.)

19 SENATOR RUFF: Mr. Chairman, that
20 completes the Education Committee report.

21 DELEGATE KILGORE: Thank you,
22 Senator Ruff. Next is the R&D Committee, Delegate Byron.

23 DELEGATE BYRON: Thank you, you
24 may want to pull out the R&D Committee from your book. We
25 had an engaging conversation yesterday and we went over

1 some grants before us and some exciting opportunities and
2 opportunities for commercialization and job creation in our
3 region.

4 The first one was project number 3337,
5 which is one of our original R&D grants back in 2011. They're
6 in phase two of the R&D development. We had another one,
7 which was project number 3336, which is DVTI Advanced
8 Coding Company with great potential for our region as well.
9 The R&D Committee recommendation was to approve the
10 requests that were made 3337 and 3336 totaling \$3,370,979
11 and I so move.

12 MR. OWENS: Second.

13 DELEGATE KILGORE: Any further
14 discussion? All those in favor say aye. (Ayes.) Opposed? (No
15 response.) That motion carries.

16 DELEGATE BYRON: We had some other
17 business in the Committee dealing mainly with extensions and
18 I move that we accept these recommendations to reduce the
19 award 3209, it's in your packet. And that's by \$500,000 and
20 provide these to the fund for that project.

21 DELEGATE KILGORE: This is the first
22 time I remember somebody reducing their grant. All those in
23 favor say aye. (Ayes.) Opposed? (No response.)

24 DELEGATE BYRON: I move the
25 Commission accept the R&D Committee recommendations to

1 approve a fifth year extension for grant number 2697, which is
2 Bland County, which is the underground mine wireless
3 communications tracking and atmospheric monitoring system
4 until December 31, 2017, grant number 2698, Southwest
5 Virginia Higher Education Center Foundation evacuation
6 damage prevention devices until September 30, 2018. Also,
7 grant number 2699 extending to March 1, 2018 as described
8 in your packet and that's for the Southwest Virginia Higher
9 Education Foundation.

10 MR. OWENS: Second.

11 DELEGATE KILGORE: All those in favor
12 of those grants and motions say aye. (Ayes.) Opposed? (No
13 response.) That motion passes.

14 DELEGATE BYRON: For the benefit of
15 anyone, there are several people already engaged in R&D
16 work, broadband and that will be at our next meeting. That is
17 the report.

18 DELEGATE KILGORE: Thank you.
19 Delegate Wright, Southside Economic Development
20 Committee.

21 DELEGATE WRIGHT: Thank you, Mr.
22 Chairman. Southside Economic Development Committee met
23 yesterday afternoon, which was an out of cycle meeting and
24 there were four separate proposals and there is three motions
25 I'd like to make at this time. This motion you'll find in the

1 supplemental packet. I move the Committee accept the
2 Southside Economic Development Committee's
3 recommendation to expand the scope and increase grant
4 number 3291 by \$500,000 and increase grant 3241 by
5 \$100,000. Both grants can be found in your supplemental
6 package. I make that as a motion.

7 MR. MILLS: Second.

8 DELEGATE KILGORE: The motion is
9 seconded, any discussion? All those in favor say aye. (Ayes.)
10 Opposed? (No response.) That motion carries, Delegate
11 Wright.

12 DELEGATE WRIGHT: The second
13 motion, Mr. Chairman, I move the Commission accept the
14 Southside Economic Development Committee's
15 recommendation for request 3289 found in the supplemental
16 packet \$600,000.

17 SENATOR RUFF: Second.

18 DELEGATE KILGORE: We have a motion
19 and a second. Any more comments? All those in favor say
20 aye. (Ayes.) Opposed? (No response.) That motion carries.
21 Delegate Wright.

22 DELEGATE WRIGHT: The last motion is
23 I move the Commission follow the Southside Committee
24 recommendation grant a one year extension to January 8,
25 2019 to grant number 2528, also found in your supplemental

1 packet.

2 MR. OWENS: Second.

3 DELEGATE KILGORE: All those in favor
4 say aye. (Ayes.) Opposed? (No response.) That motion
5 carries.

6 DELEGATE WRIGHT: That completes
7 our report.

8 DELEGATE KILGORE: Senator Carrico.

9 SENATOR CARRICO: Thank you, Mr.
10 Chairman. The Southwest Economic Development Committee
11 met on September 8th in Roanoke. There was several projects
12 and about \$5.3 million requests and approved \$1.8 million.
13 I'd like to move the Commission the Southwest Economic
14 Development Committee's recommendation described on page
15 sixteen, project transformer, which is in your packet and
16 authorize the project up to a hundred percent of the
17 remaining Southwest Economic Development Committee
18 budget as of September 20th, 2017.

19 SENATOR CHAFIN: Second.

20 DELEGATE KILGORE: All those in favor
21 of that motion say aye. (Ayes.) Opposed? (No response.)
22 That motion carries.

23 SENATOR CARRICO: Next, I'll move that
24 the Commission accept and on page sixteen you'll find all the
25 projects the Committee approved. I move the Committee

1 accept the Southwest Economic Development Committee's
2 recommendation to approve grants number 3307, 3191, 3308,
3 3200, 3304, 3309, 3305, 3310 in the amount of \$1.6 million,
4 so moved.

5 SENATOR CHAFIN: Second.

6 DELEGATE KILGORE: Any more
7 discussion? All those in favor say aye. (Ayes.) Opposed? (No
8 response.) That motion carries.

9 SENATOR CARRICO: The last
10 recommendation if you look on page 24 in your packet, I move
11 the Commission accept the Southwest Economic Development
12 Committee's recommendations to extend grants through
13 September 30, 2018 and that's grant number 2549, 2729 and
14 2739.

15 MS. LOWE: Second.

16 DELEGATE KILGORE: We have a motion
17 and a second. Any discussion? All those in favor say aye.
18 (Ayes.) Opposed? (No response.) That motion carries.
19 Delegate Marshall?

20 DELEGATE MARSHALL: Special Projects
21 Committee met on September 8th in Roanoke, page 25. We
22 have six motions. The first one is I move the Commission
23 accept the Special Projects Committee recommendation to
24 approve mega site grants number 3320, 3318, 3323, in the
25 amount of \$1,995,850 found on page 26 of your book.

1 MR. OWENS: Second.

2 DELEGATE KILGORE: We have a motion
3 and a second, any further discussion? These are all the mega
4 sites. Any further discussion? All those in favor say aye.
5 (Ayes.) Opposed? (No response.) That motion carries.

6 DELEGATE MARSHALL: Mr. Chairman, I
7 move the Commission accept the Special Projects Committee's
8 recommendations to approve access to healthcare request
9 number 3327, 3324 and tabling 3319; 3327 and 3324 in the
10 amount of \$1,029,933 on page 25 of your packet.

11 MR. SHELL: I'd ask to abstain from
12 3324.

13 DELEGATE KILGORE: We'll take 3324
14 out of the block.

15 DELEGATE MARSHALL: We're voting on
16 3327 and tabling 3319.

17 DELEGATE KILGORE: We have a motion
18 to approve 3327 University of Virginia and table 3319. We
19 have a second. All those in favor say aye. (Ayes.) Opposed?
20 (No response.) That motion carries.

21 DELEGATE MARSHALL: Now we have a
22 motion to accept 3324.

23 DELEGATE KILGORE: We have a motion
24 and a second to accept 3324. All those in favor say aye.
25 (Ayes.) Opposed? (No response.) One abstention.

1 DELEGATE MARSHALL: I move the
2 Commission accepts the Special Project Committee's
3 recommendation request 3321, 3325, 3326 found on page 25
4 for loan consideration by the Virginia Resources Authority.

5 MR. SHELL: I'd ask to abstain from
6 3326.

7 DELEGATE KILGORE: The motion is to
8 accept 3321, 3325. Do I have a second?

9 MR. MILLS: Second.

10 DELEGATE KILGORE: All those in favor
11 say aye. (Ayes.) Opposed? (No response.) That motion
12 carries.

13 DELEGATE MARSHALL: I have a motion
14 that we accept 3326.

15 MR. OWENS: Second.

16 DELEGATE KILGORE: All those in favor
17 of referring 3326 to VRA say aye. (Ayes.) Opposed? (No
18 response.) That motion carries.

19 DELEGATE MARSHALL: I move the
20 Commission accept the Special Projects Committee
21 recommendation on number 3330, 3322, 3317, 3331, 3328 in
22 the amount of \$1,942,750 page 25 and 26 of your packet.

23 MR. OWENS: Second.

24 DELEGATE KILGORE: Any discussion?
25 All those in favor of those approvals say aye. (Ayes.)

1 Opposed? (No response.) That motion carries.

2 DELEGATE MARSHALL: Mr. Chairman, I
3 move that the Commission accept the Special Projects
4 Committee recommendation to refer the requests on 3332
5 found on page 25 for loan consideration to VRA.

6 MR. OWENS: Second.

7 DELEGATE KILGORE: All those in favor
8 say aye. (Ayes.) Opposed? (No response.) That motion
9 carries.

10 DELEGATE MARSHALL: Mr. Chairman, I
11 move the Commission accept the Special Projects Committee's
12 recommendation on grant 2754 found on page 41 and an
13 extension for one year.

14 MR. OWENS: Second.

15 DELEGATE KILGORE: Any discussion?
16 All those in favor of 2754 for one year say aye. (Ayes.)
17 Opposed? (No response.) That motion passes. Thank you.
18 Next we'll hear from Chris Piper, CoE Operational Plan
19 Presentation.

20 MR. PIPER: Thank you, Mr. Chairman.
21 Chris Piper, Deputy Director of the Tobacco Commission.
22 Back in July myself and Bruce Sobczak, of CCAP and the
23 Executive Directors of the three Centers of Excellence met in
24 Wytheville to discuss an operational plan with the strategic
25 plan for the Centers of Excellence. We had an amazing

1 meeting and there was a lot of discussion and we thank
2 Senator Ruff for your attendance and participation.

3 The idea was to focus on an eventual
4 plan for the Centers of Excellence. We went through a typical
5 strategic planning session. What we found is a whole lot of
6 what the Centers of Excellence had in common and I won't go
7 through it one by one but just to show you for your review.

8 One of the other things was develop the
9 Center of Excellence missions, which is that we are a dynamic
10 network of advanced manufacturing resources that supports
11 industry by developing an exceptionally skilled workforce.
12 Further, our vision that the Centers of Excellence are
13 recognized as an asset for workforce and economic
14 development through innovative and quality training
15 solutions. We found out that some of our core values, which
16 we list here, quality, responsiveness, partnerships and
17 innovation delivered with passion. And we wanted to identify
18 some of the important issues that the Centers of Excellence
19 are all facing.

20 What we determined is that there are
21 definite challenges facing the Centers of Excellence and we
22 feel there is a lot of good work that's being done. The best
23 part is, is that the Centers of Excellence are collaborating on a
24 regular basis in a direct relationship with the Commission.
25 I've been tasked with working directly with them and Bruce to

1 develop a collaborative atmosphere with the Centers of
2 Excellence. I think what we're finding is that there is a lot of
3 great ideas to be passed on that really strengthen the
4 workforce within our region as we all work together to
5 collaborate and develop strong ideas going forward.

6 We have found that the Centers of
7 Excellence are not just good for credentialing and
8 certifications but really focusing in an area of custom training
9 for individual employers within our region. I think the
10 benefits of customized training that we're building
11 relationships with our employers throughout the region and
12 providing them with tools and resources to not only bring in
13 new employment but a better skilled workforce of existing
14 employees. We had an excellent time and we plan to continue
15 the development of this meeting at another meeting prior to
16 the January meeting.

17 Before I go, I'm going to bring up Bruce
18 who is going to describe and on your table today you found a
19 new reporting mechanism or reporting template that we will be
20 using and then reporting to us on a quarterly basis and we'll
21 provide that information to you quarterly and annually. Bruce
22 can explain that in a little more detail. We're trying to expand
23 the reach of exactly what we're trying to do.

24 DELEGATE MARSHALL: Can you email
25 that information to us?

1 MR. PIPER: Yes. I apologize, I didn't do
2 it prior to this. We'll email the entire thing.

3 MR. SOBCZAK: Thank you, Chris.
4 Commissioners, I'm Bruce Sobczak, director of workforce
5 development CCAM. In the reporting, we have based this new
6 template or reporting system which will be new for the first
7 time in November based on a fiscal year that runs from July
8 1st to June 30. This will be due November 1st in this new
9 format. In the new format, we kept the old measures that
10 were originally mandated in this from the Boston Consulting
11 report and we also added a customized and Chris mentioned
12 and some other outcomes. There are places for partner
13 colleges and we want to keep track of the pipeline and we're
14 not strong enough to do one hundred percent focus on just
15 advanced certifications because you cannot offer advanced
16 certifications unless there is a pool of people that has the
17 foundation.

18 The intention of the customized training
19 comes from two data points. Number one is the numbers of
20 training that we're experiencing right now. For fiscal year
21 2016/2017 we have an upward trend in the number of
22 students. Q1, 48 students, two at 85 and three at 152 and Q4
23 at 244. Credentials issued in those times. A total of 552
24 students for that year and 213 credentials issued and a few
25 were advanced. Out of that, 62% out of that 500 plus number

1 don't know they need these technologies and then they find
2 out and say wow, this has changed our world.

3 We got written responses from many and
4 I'll share one with you that came from New College. We were
5 thinking about purchasing a machine to help meet our
6 farming needs and being able to receive specialized one on one
7 training from an instructor at NCI Saturday was incredible.
8 NCI's advanced manufacturing is a wonderful training facility
9 and the technology program will enable us to make great
10 strides in R&D and hopefully take our business to the next
11 level. Focused on the big picture or the whales as we call
12 them and the Airbus factories and there's a lot of things in
13 and around the area with small companies.

14 There's also other stories from South
15 Boston to Abingdon and those centers out there and these
16 small companies picking up on things like this enabling them
17 to develop their products and get it to market. They're buying
18 machinery and hiring people and we need to start tracking
19 that. The new reporting is a new standard that I think that we
20 can start developing even further from that. So I welcome any
21 questions you might have.

22 MR. PIPER: One final thing and I'd
23 emphasize the main point of what we found is our Centers of
24 Excellence are incredibly flexible and they're able to provide
25 the certifications and the credential training and provide

1 customized training so we can be a fuller tool for the region
2 and workforce development and pretty exciting time for the
3 Centers of Excellence and we're excited to see the direction
4 they're going in. We're happy to answer any questions.

5 DELEGATE BYRON: Data is always good
6 and we've been talking about this for some time and that we
7 have something in place to start doing that. The confirming
8 organization just for starters, what does that specifically
9 mean?

10 MR. SOBCHAK: We focus in different
11 areas like welding and there's several different organizations
12 that grant a welding certification, split across the region.
13 There is Alliance and we found there's good crossover. NIMS
14 is the premier certification in machining and then you have
15 Siemens in the electronics world but there are other
16 competitors. It's important to know what the confirming
17 organization because these are third party people verifying
18 these skills. We need to track that and see where the trend is
19 going in organizations that are favorable to the employers.

20 DELEGATE BYRON: It's the organization
21 you're talking about when you say conferring. The other thing
22 I would point out in looking at a lot of the information being
23 tracked now for the workforce is in statewide workforce
24 performance grant. SVAHEC and one of the problems we
25 incurred and we may want some specific data specifically for

1 the Tobacco Commission. All these organizations are
2 reporting data now for the performance grant they do for
3 SCHEV and to the state. In the past our biggest data problem
4 was that everybody is doing things a different way. If you
5 could get together with them so your data matches at least for
6 some of these columns, it will prevent us in the future from all
7 reporting data differently and I think that would be very
8 helpful.

9 MR. SOBCZAK: This was not designed to
10 be very specific so that we know based on actuals.

11 DELEGATE BYRON: When you compare
12 that to the community colleges that are already tracking it,
13 they're doing that and then you have something additionally to
14 what they're already doing and what they're doing is good
15 information, too.

16 MR. SOBCZAK: Yes.

17 DELEGATE MARSHALL: There's a
18 couple of things and I didn't see it here. We know we're
19 winning with these students getting jobs, are we tracking
20 that? Do they have a job and keep a job?

21 MR. SOBCZAK: Yes, we are and that's
22 going to be the most difficult aspect of this and keeping track
23 of these students as soon as they graduate.

24 DELEGATE MARSHALL: Do we track
25 them and what they're doing in years two and three, what type

1 of jobs they have, where they're living and the training they got
2 from the CoEs and we can keep up with them. Then also
3 what type of training they need to advance.

4 MR. SOBCZAK: Delegate Marshall, we do
5 track when they get employed but future tracking, what you've
6 described, we don't because that's going to be difficult.

7 DELEGATE MARSHALL: Do the CoEs
8 track that along with Kathy's ideas and what's going on
9 between the different CoEs?

10 MR. SOBCZAK: I don't think we track
11 their employment into the future unless they have a
12 relationship and coming back for additional training. What we
13 do know and what we can collect once they are certified to get
14 a job, it's a little more complicated as far as tracking in the
15 future a year or two years out, we don't do that.

16 MR. FEINMAN: Delegate Marshall, the
17 tracking of alumni and I know in my law school, literally two
18 thirds of the class five years out you don't know where they
19 are and once they get a job, they don't feel the need to
20 communicate with the CoE. If what you're asking us to do,
21 we'll work it very hard and capture as much of that
22 information as possible but I don't know how successful we'll
23 be.

24 DELEGATE MARSHALL: We're training
25 you one, what are we spending right now Kathy, is it \$360

1 million a year for workforce development? They don't track
2 people to get jobs, that really doesn't make sense. We're
3 spending money we ought to at least know. A win for them is
4 getting a job.

5 DELEGATE WRIGHT: Considering the
6 fact that Microsoft in Mecklenburg County was in dire need of
7 employees and I don't see IT listed as far as CoEs or their
8 cooperation with the community colleges and know what
9 they're doing and the progress maybe providing the gap
10 between Microsoft.

11 MR. SOBCZAK: The CoEs address IT but
12 nothing other than the grants and the advanced
13 manufacturing Centers of Excellence. Although it has
14 tentacles and crossover into the IT world, we'd be using the
15 technology from that but we don't track those certifications.
16 But Microsoft has a wonderful program and looking into
17 cybersecurity and things like that which our resources can
18 help support do not support the advanced manufacturing
19 mission. Right, is there anybody from the CoE in South
20 Boston want to address that? All three are represented here.

21 MS. OWENS: Good morning. I'm the
22 chief economic advancement officer of the Southern Virginia
23 Higher Education Center in South Boston. With regard to our
24 center of manufacturing excellence, we do track employment
25 of our training program from the time they are employed and

1 we follow-up periodically, actually every quarter. We also have
2 those individuals calling us and we ask them to let us know if
3 there's any changes. At this point, everything we have, we
4 have an 82% placement rate and that's typically above entry
5 level. We also have an IT academy and we're working with
6 Microsoft and a training program in our lab and we have a
7 94% placement rate.

8 DELEGATE BYRON: Thank you, Nettie.
9 I think you know the Mayor in that area, don't you?

10 MS. OWENS: I actually see quite a bit of
11 him.

12 UNIDENTIFIED: We don't want to hear
13 that.

14 DELEGATE BYRON: Information you
15 send in now where you track where the individuals are going,
16 do they ask for job placement yet?

17 MS. OWENS: Yes.

18 DELEGATE BYRON: That information is
19 already being attained and that's something we can duplicate
20 for whatever format we want to use so we don't come up with
21 two different figures. Then you also have to think about
22 credentials and someone may not look like they're going to a
23 job or they might be in phase two or three and trying to get a
24 degree, is that noticed somewhere?

25 MS. OWENS: That was developed so

1 individuals can, sometimes they stop getting credentials and
2 they go to work, they try to get some work experience and
3 sometimes they get some experience then they're able to come
4 back especially in the IT arena or network.

5 DELEGATE BYRON: Back to the
6 question for the Tobacco Commission, do we have numbers
7 yet?

8 MR. SOBCZAK: Yes, ma'am.

9 DELEGATE BYRON: I believe we asked
10 for some numbers.

11 DELEGATE KILGORE: Any other
12 questions?

13 MR. PIPER: Thank you.

14 DELEGATE KILGORE: All right, Evan?

15 MR. FEINMAN: I think he wants to speak
16 first.

17 DELEGATE KILGORE: Come up and tell
18 us what's going on at the veterinary school. We went by and
19 the parking lot is full and there is two big parking lots and
20 Senator Chafin and I got a good tour that day.

21 MR. DEBUSK: We came before the
22 Commission in 2012 to talk about starting a veterinary
23 medicine school in Lee County and you all helped us with it
24 and it's been very successful. Actually more than we
25 anticipated, it's really gone well. There weren't any places to

1 stay and they started in staying in farmhouses all throughout
2 the county and they just melded into the community and it's
3 been outstanding. I'm from Rose Hill, Virginia, Chairman of
4 the Board of LMU and LMU and the school has been super
5 successful and as I said, I'm from Rose Hill and we're going to
6 go to Division I various thing and it's now time to really step
7 up to get a big time president. We went to Suffolk, Virginia to
8 get a first generation kid, Clayton Hicks and he's chairman of
9 the board LMU, a real success story and we're real proud of
10 Clayton.

11 We've got an opportunity, things were
12 happening and an opportunity to really grow and Dr. Johnson
13 is here, dean of the veterinary medicine school and he's going
14 to tell you a little bit about what's happening and what a big
15 opportunity it is. Dr. Johnson.

16 DR. JOHNSON: I don't think I need a
17 microphone. Our relationship began in about 2012. I got a
18 phone call, used to be a bona fide veterinarian and doing
19 things that veterinarians do and I still have to do that every
20 now and then to get my fix. I get a phone call from a fellow in
21 southwest Virginia and taking him out to his farm, which he
22 donated to start this whole project and he says will this work
23 and I said absolutely. And through the partnership, I want to
24 sincerely thank and thank the Commission to come on board
25 and make it real and I want to make sure I report to you what

1 happened since then.

2 In 2014, we took our first class and
3 everybody here knows this. We outpaced having our own
4 construction crew and we moved really fast and got this thing
5 going. In May of 2018, we'll graduate our first graduates and
6 I'm super excited about that. We're the thirtieth med school
7 in the country and there is only thirty. This is crazy stuff to
8 put about putting in Ewing, Virginia.

9 We have gone up in applicants, four
10 hundred our first year to six hundred our second year, eight
11 hundred and we had twelve hundred applicants this past
12 year. Top ten in the number of veterinary schools for
13 applicants. Virginia Tech is number one, absolutely a
14 wonderful school and we've partnered with them on a lot of
15 stuff. We've got students from every state except North
16 Dakota because there's only thirty-five or forty people that live
17 there anyway. Our number from the Appalachian applicants
18 continues to grow and we're seeing qualified students from
19 Appalachia that fit our mission statement going up on our
20 doors. Appalachia is 420 counties over thirteen states and
21 one whole state and that's West Virginia. We've got some
22 really neat achievements from our students especially the
23 incoming class.

24 This blows my mind that in Ewing,
25 Virginia we've got 27 states represented and Puerto Rico and

1 44 from Appalachia and 34 from rural hometowns, 5,000
2 people or less, 760 awards and honors, 107 research projects
3 and we have eight different languages spoken in Ewing,
4 Virginia now. English is not the same between Virginia and
5 French, German, Croatian, Serbian, Bosnian and Greek. It's
6 pretty mixed.

7 We've got 428 students there and we
8 have a science program with 34 students and we've got 500
9 students, faculty and staff on a daily basis. We're doing our
10 outreach and research. We've created a center in Appalachia.
11 We've had two nationwide conferences there. We were just
12 awarded an international conference and it's going to happen
13 right there in Ewing, Virginia and that's with veterinary
14 education.

15 We've done a lot because you guys
16 believed in us is what it boils down to. We've had shelter
17 outreach in the Appalachian region. Ten shelters are bringing
18 in dogs and cats, spayed, neutering and services. We've
19 hosted over twenty animal agriculture events covering all kind
20 of different subjects and aspects and we've worked with
21 Virginia Extension in that regard. That's my update and
22 thank you so much, I really appreciate it.

23 DELEGATE KILGORE: We appreciate
24 what you all are doing for Lee County.

25 DR. JOHNSON: We're busting at the

1 seams and we've got a lot of opportunity to continue to
2 expand.

3 MR. DEBUSK: One of the things about
4 growth, the building where you have the cadavers and what
5 have you and they're totally full and overflowing and to grow
6 the school in the future, we have an opportunity to really grow
7 it, we're going to need a new anatomy building and that's our
8 reason for being here today and we'd like to explore the idea of
9 seeking some help to help us go forward and increase the
10 enrollment at LMU. Folks, I promise you one thing, we'll do
11 what we say.

12 DELEGATE KILGORE: Thank you.

13 MR. FEINMAN: I think the advocate for
14 this other piece, Matt, are you in the room somewhere? Well,
15 apparently he's left. To give you all an update, there was a
16 TROF recipient Appalachian Biofuel that was going to come
17 before you to plead for relief of repayment of their TROF award
18 and the staff was unpersuaded by their arguments and to give
19 it to you and I'll lay it out. When they realized the business
20 was going south, rather than push hard and spend all the
21 TROF money they set some of it aside so as not to burn it all.
22 And their argument was that's a show of good faith and they
23 should be relieved for the burden of paying back the rest of
24 the money they did spend. We agreed they were pretty good
25 actors in the whole thing. They were going to capture all the

1 upside if the business worked out properly and you must pay
2 back the grant if you don't produce the jobs and the
3 investment. We're going to continue with our efforts,
4 \$565,000 claw back, \$300,000 of which is set aside and that's
5 money sitting in the bank account right now.

6 If anyone has any questions and you may
7 not know this but Chris is our heavy, he has all our
8 collections work and he's been back and forth in terms of
9 correspondence and you can talk to him if you have any
10 questions. Maybe he was called out for an emergency or
11 something. I didn't want him to lose the opportunity to speak
12 to you, something may have happened. That's the other
13 business before and unless there's some objection, we will
14 continue our effort with the claw back.

15 DELEGATE KILGORE: Any other
16 business?

17 SECRETARY GOODIN: Mr. Chairman,
18 I'd like the record to reflect that the Secretary of Agriculture
19 was here to attend the meeting.

20 DELEGATE KILGORE: We have you
21 down. Any other business? Any public comment?

22 UNIDENTIFIED: Wytheville Community
23 College, we certainly appreciate your support and to express
24 that support, we've prepared a one minute video we'd like to
25 share with you.

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NOTE: THE VIDEO IS SHOWN TO THE COMMISSION.

DELEGATE KILGORE: Thank you. Any other public comment? Thank you all for coming out and the Commissioners for coming out and our next meeting will be in January. Thank you.

PROCEEDINGS CONCLUDED.

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 Full Commission meeting**
8 **when held on Wednesday, September 20, 2017 at 9:00**
9 **a.m. at The Crossroads Institute in Galax, 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 27th day of
14 September, 2017.

15
16 _____
17 Medford W. Howard
18 CCR #0313137
19
20