

November 25, 2008

The Carroll County Board of Supervisors held a Joint Meeting with the City of Galax, Grayson County, Carroll County School Board, Grayson County School Board, Galax City School Board, and BRCEDA on Tuesday, November 25, 2008 at Crossroads Institute.

Present were:

- W. S. "Sam" Dickson, Chairman
- David V. Hutchins, Vice-Chairman
- Dr. Thomas W. Littrell
- Andrew S. Jackson
- Wesley G. Hurst
- Gary Larrowe, County Administrator
- Ronald L. Newman, Assistant Administrator
- Members of the Galax City Council
- Members of the Grayson County Board of Supervisors
- Members of the Carroll County School Board
- Members of the Galax City School Board
- Members of the Grayson County School Board
- Members of BRCEDA

At 6:20 p.m. the meetings were called to Order by: Mr. Mike Maynard – BRCEDA; Mr. Sam Dickson – Carroll County Supervisors; Mr. C. M. Mitchell – Galax City Council; Mr. Harold Golding – Carroll County School Board; Ms. Elizabeth Thomas – Grayson County School Board; Mr. Mike Maynard – Grayson County Supervisors.

Mr. Hutchins lead in prayer and dinner was served to all present.

Mr. Maynard introduced quests and thanked everyone for coming.

Dr. Oliver McBride introduced Dr. Paul Winistorfer, Chair of the Department of Wood Science & Forest Products at Virginia Tech.

Dr. Winistorfer told that the Virginia Forest Products Initiative was linking the education platforms of regions and a State to develop our human resource. He told that this took strategic working together to uncover opportunities and that there must be a forward thinking looking 3-5 years in the future and leveraging creative ways. He told that everyone want the same thing of sustainable economic activity and human resource development. He then discussed Ikea locating a plant in Danville 5 years ago with \$300M investment and a 1M square foot facility.

Dr. Winistorfer told that they were trying to create seamless pathways among educational providers. He told that Virginia Tech was exploring wood design, advanced wood manufacturing, and wood science. He told that the program at Virginia Tech has the leading learning discover and engagement

November 25, 2008

program in North America. He discussed the Woodlinks USA Model of Education – Industry Partnership. He told that Woodlinks was a partnership of industry, students, the Department of Education, post secondary education, schools, and teachers. He told that this provides curriculum framework, national certification, teacher training, and teacher resources. He told that there were 100 sites in 24 states with new sites in South Boston and Danville. He told he would like to have a site at Crossroads. He discussed the unique project of wood frame sunglasses. He told that Virginia Tech has the number 1 Architectural College in the USA and that Governor Kaine had granted Career & Technical Academies grants. He discussed the WEI concept to market business projects and the Virginia Tech Science Technology Engineering Math outreach initiative. He told that courses were being taught at HEC/Halifax High School and told that equipment purchases there had included a CNC machine with a \$6M investment. He told they planned to fully employ the Wisconsin 501C3 model to allow for funding. He told that they needed teachers, facilities, and equipment and wanted students in a national competition. He told that they needed teacher mentoring, industry involvement, business start-ups, connectivity to VEDP for industry expansion and recruiting in Virginia, and increased student awareness.

Mr. Maynard then introduced Senator Roscoe Reynolds, Senator William Wampler, and Delegate Bill Carrico.

Senator Reynolds stated that he was very cautious and was worried about the economy. He told that he thought the economy was in the worst shape he had seen in his lifetime. He stated that he never thought he would see Congress and the President advocate a bailout. He told that he didn't know what would have happened if they had not done this. He told that he was worried about the automobile manufacturing. He stated that economic activity had fallen off the table. He told that the last session of the General Assembly had reduced spending by \$2B over a 3 year period and stated there would be a significant shortfall. He told that education is the key to reversing the economic difficulties. He told that \$1 of every \$2 the State spends is for localities. He told that when the General Assembly starts cutting there are good arguments that can be made against the cut.

Senator Wampler told that these are pretty amazing times with uncertainty being the common denominator. He stated that Virginia would weather this better than most states. He told that the Governor would have the first pass for the budget on December 16 and was looking at a 42.5B reduction in revenues while the General Assembly was looking at \$3.2B. He told that some had suggested another draw from the rainy day fund and commented this would be a one time fix. He told that it did not do any good for the General Assembly to appropriate money that doesn't materialize and local governments have to reduce the budget mid-year. He stated that everything has to be on the table including K-12 funding.

November 25, 2008

Delegate Carrico stated that everybody understands the shortfall is close to \$3.2B. He told that the General Assembly had looked at education as one thing to try not to touch but stated they will have to look at this this year. He told he had heard a lot of talk about vision and stated that there would be a lot of new ideas and new visions during tough budget times. He told that the General Assembly will try to develop a budget to affect localities the least but stated it will hurt. He told that everything during this session will be based around the budget and told that the House had restricted to 15 pieces of legislation knowing the budget is the number 1 concern. He told that there had been mention of repealing the car tax and stated he could not support this because it would be another burden the people could not afford.

Mr. Maynard told that the localities were caught between reduced state funding but not getting any relief in responsibilities. He told that localities have limited ability to raise revenues and told there was an inequality between cities and counties in ability to tax. He asked how local governments were to get out of the pressure of responsibility and reduced funding.

Senator Wampler suggested looking at ways to grow the revenue base with recruiting, retaining, and growing existing businesses.

Delegate Carrico suggested looking at local businesses for services and stated that people will cry to the General Assembly if they allow localities to tax more.

Senator Reynolds told that Virginia is ranked the best to do business and this is because of the Dillon Rule. He told that he was concerned about how much responsibility has been shifted to local officials to fund services. He told that he has cast votes in favor of revenue enhancement when needed.

Mr. Maynard told that the struggle is how to survive until the tax base is built. He told that localities were looking at ways to increase revenues without burying property owners.

Mr. C. M Mitchell told that it takes education and time to bring the workforce to a competitive level.

Mr. John Garner told that if the General Assembly cuts 10% from education then it cuts education here 10% but in Richmond and Northern Virginia this would be 3%. He told that this area of the State is more vulnerable than other portions of the State.

Senator Wampler told that the typical local budget is 75% education. He told that Aid to Localities is a major component. He stated that he did not

November 25, 2008

think the General Assembly should have included new spending in the current budget.

Dr. Greg Smith told that a 5% reduction to Carroll County would be 26 teachers loosing their jobs and stated that the Carroll County School System is the largest employer in Carroll County. He told that schools need to be able to recommend where the cuts come from because what is important to one system may not be as important to another. He told that the school systems have been told that part of the cut may be mandated as to what area.

Senator Reynolds told that he understood that decisions were made at the local level within categories.

Mr. Sam Cook told that categorical funding micro manages. He told that he was in favor of getting basic aid money and using where needed. He told that one size does not fit all. He told that school systems get money from basic aid, categorical, and initiative. He stated that if they did not use the initiative money they don't get it and stated he would like to have flexibility.

Senator Wampler stated that some wanted to eliminate the at-risk add ons.

Mr. Cook stated that he was concerned about changing the formula.

Mr. Maynard stated that localities needed to have flexibility on how to make the reductions work.

Senator Wampler stated that it was not unreasonable to reduce K-12 by 15% when times are this tough.

Mr. Maynard replied that localities don't mind owning the problem if they have the flexibility on how to solve the problem with less revenues.

Senator Reynolds inviting discussing suggestions with him.

Senator Wampler told that the General Assembly will not have a chance to pass the master settlement agreement that could allow capturing revenue that would bring endowment for research.

Senator Reynolds told that education and training were important to bring the workforce to a competitive level.

Ms. Thomas told that the School Board Association discussed budget priorities. She stated they did not want to see the funding formula changed. She told that they would like funding shortfalls to be dealt with at the local level with flexibility. She stated that it would help if there was a reduction in

November 25, 2008

the local administrative reporting requirements and discussed the time factor of preparing these reports.

Mr. Maynard discussed areas that are working well such as small business and entrepreneurship, the wired road program, trying to develop the Hampton Property for IT and Exit 19 stating it was the most desirable spot in SWVA for a mega site, working on other exits to get water and sewer, creating two regional water systems, and investing in increasing human capacity in solving problems.

Mr. Dickson asked that money be tied together so localities would get money for working together regionally.

Senator Wampler told that the hardest thing is to pick one funding application over another and that there was a better chance of funding for regional projects.

Mr. Larry Bartlett presented the Twin County Airport Commission request and stated that the airport is an economic development tool.

Senator Wampler told that he would examine the Charter change request but stated that normally if there is opposition they are not warmly received.

Delegate Carrico told that he had been involved in trying to get agreements between the localities and do have two localities that have opposed it. He told that he was hoping to get the two localities to come on board.

Senator Reynolds told that when localities are not unanimous it is a tough ordeal. He suggested meeting with members of the General Assembly so they understand the issue if it can't be worked out between the localities.

Mr. Maynard thanked Senator Reynolds, Senator Wampler, and Delegate Carrico.

The meeting was Adjourned at 8:40 p.m.

---

W. S. "Sam" Dickson, Chairman

---

Ronald L. Newman, Assistant Clerk