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About the Commission

In 1998, the Attorneys General of 46 states signed the Master Settlement Agreement (MSA) with the four largest tobacco companies in the United States to settle state suits and recover billions of dollars in costs associated with treating smoking-related illnesses. Four states - Florida, Minnesota, Mississippi, and Texas - settled their tobacco cases separately from the MSA states. A portion of the MSA proceeds funded the creation of the Tobacco Region Revitalization Commission.

Chapters 31 and 31.1 of Title 3.2 of the Code of Virginia contain statutes governing various aspects of the Commission. Broadly, those serving the Commission may be split into two groups – members (or commissioners) and staff.

The Commission is composed of 28 members, and appoints from its membership a chairperson and vice-chairperson. These and other details on membership are described in §3.2–3102. Members are appointed to one or more committees. Each committee is assigned a chairperson by the Commission chair; some committees have a vice-chairperson or are structured to have co-chairs.

A current organization chart of staff may be found on page 12. Staff is neither members of the Commission, nor members of any committee.

Currently, the Commission has 10 committees. Each committee focuses on a specific program or a specific aspect of a program, with the exception of the Executive Committee and the Performance Measures Committee. The structure and purpose of each committee is described in detail in the Committee Structure Section on page 6.

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1 During the 2015 legislative session, section §62.1–203 of the Code of Virginia was amended to include reference to the Virginia Tobacco Region Revolving Loan Fund (§3.2–3117). This section describes the powers of the Virginia Resources Authority.
**Mission**

The Tobacco Region Revitalization Commission is created as a body corporate and a political subdivision of the Commonwealth and as such shall have, and is vested with, all of the politic and corporate powers as are set forth in this chapter. The Commission is established for the purposes of determining the appropriate recipients of moneys in the Tobacco Indemnification and Community Revitalization Fund and causing distribution of such moneys for the purposes provided in this chapter, including using moneys in the Fund to … revitalize tobacco-dependent communities.\(^2\)

*Section 3.2-3101, Code of Virginia*\(^3\)

**Vision**

In today’s environment – where markets are largely global and employment is increasingly knowledge-based – the Commission seeks to accelerate regional transformation, giving citizens expansive opportunities for education and employment, and providing communities the benefits of economic stability, diversification, and enhanced prosperity. In particular, the Commission seeks to meet the region’s specific challenges related to a historic dependence on tobacco production, textile and furniture manufacturing, and coal production.\(^4\)

As a result, the Commission also recognizes that investments should reflect and directly advance local, regional and state priorities as established by elected and appointed officials, representatives from institutions of higher education, and other community leaders. The Commission views economic development as a partnership, and will - as often as practicable - seek input from regional stakeholders to ensure its priorities align with those of the region. To maximize the positive impacts of its investments, the Commission acknowledges the critical importance of collaboration with a broad array of financial partners including public and private non-profit organizations, the educational and workforce development communities, local, state and federal governmental entities and the private sector.

A fundamental goal of the Commission is to support projects that advance the ability of the region to attract and retain businesses that support bringing in capital from outside of the Tobacco region. This goal is grounded in an objective and quantifiable economic base analysis. In general, directly productive industries, and the workforce training and development which supports them, do more to further this goal and should be favored over an increase in service industries primarily serving local markets.

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\(^2\) The statute also contains a section referring to the Commission’s mission to indemnify tobacco farmers through direct payments. That portion of the mission was deemed completed and is omitted here for clarity.

\(^3\) The full section of the code can be accessed at: [http://law.lis.virginia.gov/vacode/title3.2/chapter31/section3.2-3101/](http://law.lis.virginia.gov/vacode/title3.2/chapter31/section3.2-3101/)

\(^4\) The most updated survey economic data (and links to regional and MSA data) are available from the Bureau of Labor Statistics, accessible at: [http://www.bls.gov/eag/eag.va.htm](http://www.bls.gov/eag/eag.va.htm)
Strategic & Funding Priorities

The Commission receives hundreds of grant applications every year and must determine how to allocate its limited annual budgets to best serve the needs of the Tobacco Region. The three primary mechanisms by which the Commission makes those determinations are: 1) our Key Funding Priorities, which describe the sorts of project categories that will receive preference over all others, even those that follow our General Funding Policies; 2) our Committee Structure, and Program Outcomes and Goals metrics; and 3) our General Funding Policies, which describe specific policies related to uses of funds and preferred overall project finance rules.

Key Funding Priorities

In pursuit of the types of investments in projects that best serve the needs of the Tobacco Region, the Commission has sought the input of various experts, local leaders, and the public through surveys, public meetings, individual meetings, and focus groups.

Below are the broad areas, in order of priority, which the Commission will focus on as it continues its work in each committee. In each area, a non-exclusive list of examples of model programs and projects have been listed, and the Commission staff will prioritize grants that align closely with more highly ranked priority categories on this list as they make funding recommendations to various committees and the full commission.

I. Education and Workforce Development

1. Training for high demand occupations that lead to industry certified credentials, as defined in partnership with regional businesses and industries, including STEM-H opportunities.
2. TRRC scholarships and tuition assistance.
3. Efforts to retain and retrain existing employees and recruit new employees and their spouses into the region to support high demand jobs.
4. Training for K-12 educators that increase their skills and knowledge regarding career training and opportunities within the Tobacco Region.
5. Work-based education such as internships, apprenticeships and on-the-job training programs.
6. Training and support for small businesses and entrepreneurs.

II. Economic Development and Entrepreneurship

7. Financial assistance in the forms of grants or forgivable loans tied to performance agreements.
8. Low interest loans and revolving loan funds to provide access to capital for startup and expansion.
9. Agribusiness companies and support programs that diversify the region’s agricultural outputs and increase agribusiness profitability.

10. Cost share programs for small businesses to support entrepreneurship programs and internships.

11. Technical assistance to small businesses to help them identify trends and opportunities, develop funding and sustainability plans and business training.

12. Support for innovative research and development companies that pledge to commercialize their products within the Tobacco Region.

13. Development of industrial clusters that leverage unique regional assets.

III. *Infrastructure*

14. Broadband, including “last mile” funding, and telecommunications pilot projects.

15. Development of industrial parks.

16. Access to public utilities including water, natural gas, sewer and alternative energy resources for economic development purposes, where other state and local resources are not available.

IV. *Access to Quality and Specialty Healthcare*

17. Improved access to physical, behavioral and oral health care through mobile health services and tele-health capabilities.

V. *Community Assets and Opportunities*

18. Cultural projects that support tourism.

19. Connecting communities to outdoor recreational opportunities and related businesses to support adventure tourism.

20. Repurposing of obsolete buildings with economic development potential.

VI. *Leadership and Community Capacity*

21. Efforts to increase local and regional long-range planning, commitment and collaboration through increased support for collaborative projects and efforts.
**Committee Structure**

The Commission has a total of 10 standing committees. The chairperson of the Commission forms these committees, and their membership is determined at the chair’s discretion. Additional, ad-hoc committees may be formed as needed. All committees meet at the call of their respective committee chairpersons.

Most committees evaluate grant and loan proposals from eligible applicants (generally counties, towns, cities, and nonprofit organizations and any subsidiary or collective organizations) and make recommendations to the Commission as to what projects should be funded, in what amounts, and whether said funding should be in the form of a loan or a grant. Some committees are operational in nature, and recommend policy or process changes to the Commission. The overall purpose and objectives of each programmatic committee described below:

1. **Executive Committee** – The Executive Committee is the Commission’s rulemaking and administrative committee. The chair and vice-chair of the Commission serve as the chair and vice-chair of this committee.

2. **Southside Economic Development Committee** – The Southside Economic Development Committee hears proposals from applicants for grants or loans to support economic development in Southern Virginia. Program funds are allocated to each county by a formula that takes into account tobacco production, job losses, economic development impact and warehouse designations. Town and nonprofits are also eligible applicants.

3. **Southwest Economic Development Committee** – The Southwest Economic Development Committee hears proposals from applicants for grants or loans to support economic development in Southwest Virginia. Program funds are available to all southwest counties, cities, towns and nonprofits within the region, without regard to any specific tobacco-related local data, historic or current.

4. **Agribusiness Committee** – The Agribusiness Committee hears proposals from applicants for grants or loans to support agriculture and forestry enterprises from across the Tobacco Region. These proposals can be for specific projects, infrastructure to support agricultural enterprise, or for programmatic funding in support of the region’s agriculture industry.

5. **Education Committee** – The Education Committee oversees the Commission’s scholarship program, and hears proposals from applicants for grants or loans for competitive education funding. The Scholarship program’s eligibility and award parameters change annually based on the committee’s budget and on information regarding changing costs of education. The committee’s competitive education program supports post-secondary education programs at educational institutions throughout the Tobacco Region.
6. **Special Projects Committee** – The Special Projects Committee accepts applications for projects with a variety of characteristics including, but not limited to: 1) mega site development; 2) healthcare funding 3) major prospect-specific incentive funds; 4) regional infrastructure; and 5) any project with significant regional economic impact. If there is a project that would significantly positively affect the economy of the Tobacco Region and it does not fall into the purview of another committee, it will be heard by the Special Projects Committee.

7. **Research and Development Committee** – The Research and Development Committee, having previously funded a number of R&D projects accepted from any applicant, has narrowed its focus to supporting: 1) Previously funded organizations with requests for follow-on funding; and 2) Organizations that have received or are seeking federal SBIR funding, which this Committee will match provided funded activities and any future commercialization occurs within the Tobacco Region.

8. **Strategic Planning Committee** – The Strategic Planning Committee creates and updates this document, and oversees outreach to the public, and partner and stakeholder groups during the strategic plan revision process.

9. **Tobacco Region Opportunity Fund (TROF) Committee** – The Tobacco Region Opportunity Fund Committee evaluates and approves or disapproves applications for opportunity fund grants between $1 and $3 million dollars. Recommended funding levels for TROF projects is determined by a formula that takes into account the proposed capital investment on taxable assets, new employment creation, and the annualized weighted average salary of the new employment. These figures are provided by a company and entered into the grant agreement signed by the company, their host locality, and the Commission. The formula takes the project parameters into account as well as local economic conditions in the host locality. TROF awards smaller than $1 million may be approved by the Executive Director. Awards between $1 million and $3 million may also be approved by the Executive Director should the TROF committee prove unable to meet in a timely fashion. The full Commission must approve TROF awards larger than $3 million.5

10. **Performance Measures Committee** – The Performance Measures Committee is tasked with overseeing and ensuring good outcomes from certain major Commission’s investments. This committee is advisory and internal, and does not accept unsolicited applications for funding.

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5 For additional information about TROF funding and eligibility, please see the General Funding Policies section of the Commission’s website.
**Program Outcomes and Goals**

Each programmatic committee of the Commission does its work in pursuit of specific “project outputs,” each of which supports one or more of the “targeted outcomes,” the long-term goals of the program. Below, each committee’s work is broken out into one or more graphics displaying the specific outputs that support each programmatic goal.

It will be the goal of the Commission staff to evaluate projects, both before awards are given and in follow-up on how well they meet the clear metrics laid out in project outputs when grants or loans are awarded. For more detail on specific metrics, contact the Commission.
Agribusiness
Investment Strategies, Project Outputs, and Targeted Outcomes

**Investment Strategy**
- Applied Research & Education
- Commercial Agriculture Product Processing Facilities
- Community Food Processing Facilities
- Cost Share Programs

**Project Outputs**
- Focus: participating producers, crops planted, livestock used
- Focus: producers using facility, additional revenue from facility
- Focus: participating producers, additional yield, additional acreage
- Focus: participating producers, acreage of alternative crops, adoption by producers, additional revenue from alternative crops
- Focus: participating producers, quantity of livestock, adoption by producers, additional revenue from alternative livestock

**Targeted Outcomes**
- Increase sustainable agribusinesses and exports
- Increase effective and efficient agricultural and livestock production
- Increase agricultural and livestock diversity and innovation
- Increase sustainable agribusinesses and exports
- Increase effective and efficient agricultural and livestock production
- Increase agricultural and livestock diversity and innovation

Agribusiness (cont.)
Investment Strategies, Project Outputs, and Targeted Outcomes

**Investment Strategy**
- Crop Demonstration
- Livestock Demonstration

**Project Outputs**
- Focus: participating producers, acreage of alternative crops, adoption by producers, additional revenue from alternative crops
- Focus: participating producers, quantity of livestock, adoption by producers, additional revenue from alternative livestock

**Targeted Outcomes**
- Increase sustainable agribusinesses and exports
- Increase effective and efficient agricultural and livestock production
- Increase agricultural and livestock diversity and innovation
**Agribusiness (cont.)**
Investment Strategies, Project Outputs, and Targeted Outcomes

<table>
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<tr>
<th>Investment Strategy</th>
<th>Project Outputs</th>
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<tbody>
<tr>
<td>Local Farmers Markets</td>
<td>Focus: producers using facility, additional revenue from facility</td>
<td>Increase sustainable agribusinesses and exports</td>
</tr>
<tr>
<td>Multi-purpose Agriculture Centers</td>
<td>Focus: additional revenue from product demand, product delivered in new geographic areas</td>
<td>Increase effective and efficient agricultural and livestock production</td>
</tr>
<tr>
<td>Wholesale &amp; Retail Cooperative Marketing</td>
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<td>Increase agricultural and livestock diversity and innovation</td>
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**Economic Development – Infrastructure Improvements**
Investment Strategies, Project Outputs, and Targeted Outcomes

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<tr>
<th>Investment Strategy</th>
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<tbody>
<tr>
<td>Industrial Sites, (including utility improvements)</td>
<td>Focus: potential employer impact – number of businesses, jobs, salary, investment in taxable assets</td>
<td>Increase local employment</td>
</tr>
<tr>
<td>Technology Improvements</td>
<td>Focus: increased utility coverage (length), increased utility capacity (on-site and off-site)</td>
<td>Increase local capital assets, revenues, and economic base</td>
</tr>
<tr>
<td>Water and/or Sewer Improvements</td>
<td>Focus: anticipated subscribers served, anticipated subscribers receiving new or improved access</td>
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Economic Development – Tourism
Investment Strategies, Project Outputs, and Targeted Outcomes

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<tr>
<td>Heritage Tourism Sites (e.g. museums, historic sites)</td>
<td>Focus: new jobs, and associated average annual wage (weighted)</td>
<td>Increase local employment</td>
</tr>
<tr>
<td>Marketing Campaigns and Related Initiatives</td>
<td>Focus: unduplicated number of visitors (annually)</td>
<td>Increase regional capital assets, revenues, and economic base</td>
</tr>
<tr>
<td>Outdoor Recreation Tourism (e.g. recreation trails)</td>
<td>Focus: revenues generated on-site (ticket sales, gift shops, etc.)</td>
<td>Increase local visitor spending</td>
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<td>Visitor Information Centers</td>
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Economic Development – Workforce Training Facilities
Investment Strategies, Project Outputs, and Targeted Outcomes

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<tr>
<td>Workforce Training Facilities</td>
<td>Focus: new or existing program design aligns with employer needs</td>
<td>Increase educational attainment, credentials, and certifications</td>
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<td></td>
<td>Focus: unduplicated enrollment and completions (annually)</td>
<td>Increase local skilled employment in target professions</td>
</tr>
<tr>
<td></td>
<td>Focus: type and recognition of credential or certification awarded</td>
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</tbody>
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**Education – Competitive Education**
Investment Strategies, Project Outputs, and Targeted Outcomes

**Investment Strategy**
- Advanced Manufacturing Workforce Training Programs (foundation level only)
- High School Equivalency Programs
- Post-secondary Programs (with a focus on STEM-H)
- Workforce Training Programs

**Project Outputs**
- Focus: new or existing program design aligns with employer needs
- Focus: unduplicated enrollment and completions (annually)
- Focus: type and recognition of credential or certification awarded

**Targeted Outcomes**
- Increase educational attainment, credentials, and certifications
- Increase local skilled employment in target professions

**Education – Student Financial Aid**
Investment Strategies, Project Outputs, and Targeted Outcomes

**Investment Strategy**
- Community College Financial Aid
- Four-year Scholarships

**Project Outputs**
- Focus: degrees awarded
- Focus: graduates returning to Tobacco Region

**Targeted Outcomes**
- Increase in skilled workforce in Tobacco Region
Research & Development
Investment Strategies, Project Outputs, and Targeted Outcomes

<table>
<thead>
<tr>
<th>Investment Strategy</th>
<th>Project Outputs¹</th>
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<tbody>
<tr>
<td>Bio-medical and/or Healthcare</td>
<td>New jobs, and associated average annual wage (per phase)</td>
<td>Increase local employment</td>
</tr>
<tr>
<td>Chemical and Materials</td>
<td>Amount of regional private capital investment (per phase)</td>
<td>Increase regional capital assets, revenues, and economic base</td>
</tr>
<tr>
<td>Energy</td>
<td>New and retained intellectual property in region</td>
<td>Increase new technology commercially-viable in region</td>
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<tr>
<td>Environmental</td>
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¹ Project Outputs are for both the Research Phase and Commercialization Phase.

Special Projects – Healthcare
Investment Strategies, Project Outputs, and Targeted Outcomes

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<tr>
<td>Cancer Prevention, Research, and Treatment</td>
<td>Focus access to evaluations and treatments previously unavailable for Tobacco Region residents</td>
<td>Increase dedicated research at NCI-designated cancer centers</td>
</tr>
<tr>
<td>Telemedicine Capacity Expansions (for chronic diseases)</td>
<td>Focus unduplicated Tobacco Region residents receiving new healthcare services (annually)</td>
<td>Increase quality of life for Tobacco Region residents</td>
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</tbody>
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Special Projects – Megasites
Investment Strategies, Project Outputs, and Targeted Outcomes

**Investment Strategy**

- Site Development
  - Focus: increased utility coverage (length), increased utility capacity (on-site and off-site)
  - Focus: certification and tier (level) awarded in "Business Ready Sites" program
  - Focus: potential employer impact – number of businesses, jobs, salary, investment in taxable assets
  - Focus: buildings acquired, constructed, expanded, or renovated, land acquired or graded

**Targeted Outcomes**

- Secure long-term economic benefits from employer(s) at site
- Increase number of saleable sites

Special Projects – Regional Infrastructure Improvements
Investment Strategies, Project Outputs, and Targeted Outcomes

**Investment Strategy**

- Industrial Sites (including utility improvements)
- Technology Improvements
- Water and/or Sewer Improvements

**Project Outputs**

- Focus: potential employer impact – number of businesses, jobs, salary, investment in taxable assets
- Focus: increased utility coverage (length), increased utility capacity (on-site and off-site)
- Focus: anticipated subscribers served, anticipated subscribers receiving new or improved access
- Focus: increased wireless links, towers, and interconnection points (Technology Improvements only)

**Targeted Outcomes**

- Increase regional employment
- Increase regional capital assets, revenues, and economic base
Special Projects – Regional Tourism
Investment Strategies, Project Outputs, and Targeted Outcomes

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<td>Focus: unduplicated number of visitors (annually)</td>
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Special Projects – Regional Workforce Training Facilities
Investment Strategies, Project Outputs, and Targeted Outcomes

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General Funding Policies

This section is intended to provide applicants and grantees with guidance on the general funding policies used by the Virginia Tobacco Commission for consideration of new applications for funding and in administration of grant awards. It references several of the Commission’s policies and grant management guidelines that can be found in the following documents on the Commission’s website." Funding policies referenced herein may have changed since the adoption of the strategic plan. The Commission’s website contains the most up-to-date policies in their entirety – the high-level nature of this document does not allow for an exhaustive list of policies in their entirety.

Priority is given to projects with the following characteristics:

- align with the Commission’s Strategic Plan, and with the outputs and outcomes identified for the specific grant program (e.g. granting of nationally-recognized academic/workforce credentials in Education, creation of net new income for agricultural producers in Agribusiness etc.).
- are regional in their implementation and impacts (i.e. governance, direct financial participation or service area).
- the appropriate partner organizations have direct involvement and capacity to successfully implement the project.

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6 The Commission maintains its website at: [www.tic.virginia.gov](http://www.tic.virginia.gov)
• meet or exceed required matching funds and thereby leverage significant other financing.
• demonstrate that all financing necessary to complete and sustain the project is committed and available.

Eligible Applicants

Applications for grant funds will only be accepted from public or incorporated non-profit private organizations located in and/or providing economic revitalization programs, services, or facilities in the tobacco region. Eligible applicants include the following:

• Government Entities - Government entities within the tobacco region or their duly constituted political subdivisions. This includes the governing body of any city, county or town (“locality”); governing body of a local or regional industrial or economic development authority; regional authority, and other governmental unit.

• Non-Profit Organizations - Incorporated non-profit organizations designated as tax-exempt by the federal Internal Revenue Service, such as 501(c)(3) entities.

• Educational Institutions - Public or private non-profit institutions of higher education, and other education or training institutions constituted and located in Virginia; or entities not constituted in Virginia but with significant, enduring investments and service delivery in the tobacco region.

Requirements for Applicants

Applicants must meet all of the below criteria:

• Procedural - Applications must be submitted in accordance with guidelines and deadlines established by the Commission. Proposals will be reviewed by designated program staff, presented to the Committee responsible for funding recommendations for that program, and to the full Commission for a final funding decision.

Applications that are received outside of announced funding cycles will be heard only at the discretion of the Committee Chair, and contingent upon available funding.

• Operational Sustainability - Applicants should clearly describe the operational sustainability of the activity for which Commission financing is being requested.

• Outcomes and Return on Investment (ROI) - Applicants must describe and be prepared to measure the anticipated ROI (e.g. private sector capital investment, employment and wage outcomes, public revenue benefits) in relation to proposed Commission investments.

• Use of Funds by For-Profit Entities – Applications that will benefit a private entity must have a public purpose and be made by one of the eligible applicants identified in the previous section.
• **Required Matching Funds** – All Commission grants require matching funds. Language adopted in Code of Virginia in 2015 now requires dollar-for-dollar matching funds for all grants (i.e. at least 50% of the Total Project Costs to be provided from non-TRRC funds), unless otherwise approved by a two-thirds majority of Commissioners. No more than 25% of the required matching funds can be provided from in-kind project contributions.

**General Non-Eligible Uses of Funds**

The following list illustrates uses of Commission funds that generally do not align with Commission objectives and should be avoided in grant proposals and requests for grant disbursement.

- Commission funds should not be used outside the defined tobacco region (unless explicitly approved by the Commission).
- Commission funds should not be used to supplant other state or federal funds for which an applicant is eligible. This includes financing options for off-site utility improvements.
- Commission funds should not be used for regularly recurring local responsibilities (e.g. comprehensive plans, K-12 school funding).
- Commission funds should not be used to finance endowments.
- Commission funds should not be used for debt retirement.
- Commission funds should not be used for on-going operation costs beyond a start-up period that has been explicitly approved by the Commission.
- Commission funds should be invested in projects that generate substantial direct and measurable new economic activity in a region. Commission funds should not be used for projects that indirectly affect economic revitalization (e.g. community centers, childcare centers, 4H centers, YMCA or recreational initiatives, airports, local arts and cultural activities, historic preservation, housing and retail development) unless it is demonstrated that the investment will produce significant economic impacts from outside the Commission service area.
- Commission funds should not be used for project administration, indirect project costs or for activities initiated prior to grant approval.
- Commission funds should not be used to acquire or make improvements to privately owned property or to acquire or improve equipment for/in private ownership unless there are defined and documented public purposes met, to include creation of new jobs and new taxable private capital investment, and such expenditures have been explicitly approved by the Commission.
Operations

This section describes the internal operations of the Commission. Eight areas are covered: Program Design (page X), Meeting Schedule (X), Budgeting & Financial Management (X), Loan Fund Operational Description (X), Data Strategy (X), and Organization Chart – Staff (X).

Program Design

Each program has specific outputs and outcomes. These are directly tied to the short-, medium-, and long-term goals of each program. The duration of these goals can vary between programs.

- Outputs are specific deliverables required from a project by an awarded applicant (or grantee) to satisfy the obligations of the grant agreement.
- Outcomes are the measures a program targets for effecting change.

A small but important distinction is that unlike outputs, outcomes cannot be targeted directly. Program-specific outputs vary because program-specific outcomes vary. Project success is judged on delivered outputs, while program success is judged on effected outcomes.\(^7\)

Every applicant to a program must clearly articulate and demonstrate how the specific project relates to the goals of the program, what outputs shall be delivered by when, and the anticipated effect of these outputs on the outcomes targeted by the program.

Commission staff review and score received applications. The criteria used to score an application are pre-established and program-specific. The measures and weights used to score each application have varied little over time. This provides valuable context on the score of the applicant relative to the scores of the current applicant pool and historical scores across various periods of time.

Commission staff then prepares a document containing background information and recommendations on each applicant in the current pool and distribute this to the appropriate committee for review in advance of the next committee meeting. Although staff are neither members of the Commission nor members of any committee, they are available before, during, and after committee meetings to answer questions from applicants or members or the public.

If an applicant is awarded a grant, a grant agreement must be signed between the Commission, the awarded applicant, and the final recipient of the grant funds. Depending on the outputs of a project, the deliverables in the grant agreement may vary within, or between, programs. Grant agreements are legally enforceable contractual obligations between the signed parties. Every grant agreement contains clauses that provide legal remedies, including in certain cases a clawback provision, which may be exercised in the event of any unapproved use or misuse of TRRC funds, and/or in the case of the

\(^7\) In practice, it is often difficult to judge a program’s success on effected outcomes because of other exogenous effects on that same outcome (e.g. lowering the unemployment rate). Examining the realized outputs of a program over time is another way to judge program success. However, this approach provides no information on the outcomes the program was intentionally and specifically designed to effect.
outputs specified in the signed grant agreement not being met by a specified point in time. Once all parties sign the grant agreement, staff obligate grant funds, the Commission is the grantor, and the awarded applicant is the grantee.

The grantee responds to interim assessments (surveys) on progress made toward achieving the obligated outputs. Interim assessments are program-specific. The assessments are intended to provide the Commission with useful quantitative data on the progress of the project toward completion. The Commission or Commission staff may, at any time, request additional information from grantees.

A final assessment is done once a project is completed within the duration specified in the grant agreement. A project is considered complete when the obligated outputs are met or exceeded, or when the obligated outputs either have not or will not be met. In the event of the latter, a clawback may be initiated by the Commission. Under no circumstances will a final disbursement of funds be made to any grantee before Commission staff have received, reviewed, and validated the final assessment from the grantee.

A project is closed once all documentation is received by the Commission and all obligations are considered satisfied.

**Meeting Schedule**

The Commission meets three times each year, with various committees having met in the weeks leading up to a full Commission meeting:

1. The Commission’s winter meeting is held on the Tuesday prior to the beginning of the General Assembly session.
2. The Commission’s spring meeting is held in May.
3. The Commission’s fall meeting is held in September.

Any additional meetings may be called at the request of the chair, but the Commission has a goal of accomplishing all of its annual business in its three regular meetings.

**Budgeting & Financial Management**

The Commission was originally funded from a portion of the Commonwealth’s payments under the Master Settlement Agreement (MSA) reached with major tobacco companies in 1998. In more recent years, the Commission has twice securitized these payments into lump sums, and there will not be a resumption of MSA payments until the current bondholders are fully compensated, an event that will not take place until the early 2030’s, at the earliest. As a result of that fact, and the Commission’s commitment to remaining a significant and active supporter of the Tobacco Region’s economy, the Commission must ensure that its funding does not run out prior to the resumption of MSA payments.
In pursuit of that goal, the Commission commits to sound and careful management of its annual budgets, with a firm goal of staying below a 4.5% corpus invasion in any year in which it makes its budget, with the caveat that larger corpus invasions may be undertaken in the event that a major new initiative or a major economic development prospect necessitates significant additional funding. In all budgets, the Executive Committee shall recommend individual committee budget allocations to the full Commission for approval.

Additionally, the Commission will make extensive use of its loan fund for as many eligible projects as possible, to ensure that, after Commission funds support an economic or workforce development project, they are returned to the Commission’s coffers so that they may be redeployed into the Tobacco Region.

The Commission will work with current and past grantees in the management of assets purchased with grant funds in accordance with the terms specified in the original agreements or any amended grant agreements. While the Commission does not take out a lien against every asset purchased with Commission funds, the Commission retains an ownership interest in those assets and must consent to any sale or alternate disposition. The Commission’s interest is in ensuring that funded assets are put to their highest and best use in fulfilling the original objectives for which the funds were invested. Should a grant-funded asset no longer be capable of practically supporting the purpose for which it was purchased, any and all proceeds from the sale of that asset shall be returned to the Commission.

Finally, the Commission and Commission staff will pursue innovative partnerships with the private sector to further leverage Commission assets and Commission grants to allow the Commission to remain competitive in attracting high-quality projects without placing undue strain on the Commission’s long-term fiscal viability.

**Loan Fund – Operational Description**

The Tobacco Commission was authorized, during the 2015 session of the General Assembly, to set up a revolving loan fund in partnership with the Virginia Resources Authority (VRA).\(^8\)

This loan fund will be the preferred funding option for any grant applications in support of projects that are likely to generate sufficient recurring revenue to service loans.

When grant requests are made, they are routed to the relevant committee, and evaluated by Commission staff. Commission staff recommend to the committee that the applicant receive no award, receive a grant in some amount, or be reviewed for a loan up to some amount.

Should the relevant committee, and then the full Commission, choose to extend a loan, the applicant will be directed to the VRA for a creditworthiness evaluation. Upon completion of that evaluation, a loan will be extended from the revolving loan fund in an amount equal to the lesser of the applicants’ creditworthiness or their loan offer from the commission.

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\(^8\) The full statute and details can be found in the Virginia Code at § 3.2-3112 et seq
Upon notice from the VRA that a loan will be extended, the amount of the loan will be deducted from the relevant committee budget and transferred to VRA.

In future years, when the revolving loan fund has adequate resources from repayments, its funds will be allocated for the use of various committees during the budget process.

**Data Strategy**

Data are an integral part of the Commission’s work. The Commission shall view and treat data as an asset, and data are leveraged to create value for all stakeholders.

Through the collection of detailed grant applications and ongoing grant assessments, the Commission acquires tremendous amounts of data about projects, the region, and grantees within the region. By making use of modern data analytics, the Commission can ensure strong ROI on its activities while gaining and disseminating new insights into best practices and solutions to region-specific challenges. As the Commission gains better insight into those investments that yield the most return for the region, it will revise grant funding policies to reflect a preference for higher-return projects.

The Commission shall create a clear, consistent, and objective set of criteria for what constitutes successful projects in any funding area, and apply these concepts throughout the life of each grant: application, management, and closeout. The Commission is committed to objective metrics that are consistently recorded throughout the life of any grant.

The Commission shall document comprehensive data management processes and policies. The Commission shall establish a recurring review of these policies for accuracy and workflow improvements.

**Data Governance**

Good data governance simply means ensuring that we’re collecting and storing our data properly, that we’re verifying its accuracy, and that we’re keeping the data in a form that allows us to properly analyze it. There are three primary parts of data governance and they correspond to the above concepts: data management, data quality, and data knowledge. While these are distinct parts, they are closely related:

- **Data management** refers to the quantity and storage of data – getting and storing the data.
- **Data quality** refers to the accuracy and integrity of data – ensuring the data are correct.
- **Data knowledge** refers to the lineage and definitions of variables and data represented by those variables – keeping the data in a useable form for analysis.

**Data Management**

Commission staff will regularly seek to identify and eliminate data from our collections that are redundant, obsolete or trivial. Commission staff will regularly update our application and grant reporting forms to ensure only useful, impactful, and meaningful data are collected.
Data Quality

The Commission is committed to accurate recordkeeping. Commission staff will identify historic discrepancies in data, and correct these discrepancies. As data are entered or revised in the system, these data will be spot-checked for quality control. Should a quality issue be identified, a more thorough check will be conducted. Commission staff will strive to identify and correct the root cause of any data quality issues.

Data Knowledge

The Commission will establish very clear definitions and ensure that its data are kept in a form that lends itself to robust analysis. Once Commission staff has defined all relevant variables, and educated grantees as to those variables, the Commission staff will begin regular reviews of collected data in pursuit of new insights into the most effective use of Commission funds.
Addenda

Addenda to the Commission’s Plan can be accessed by following the below links:

[Authorizing Statute](#)
[Bylaws](#)
[Center for Rural Virginia Report](#)
[Boston Consulting Group Report](#)
[MOA with VRA, RE: Loan Fund](#)
[Report from Public Input Sessions](#)