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ITINERARY

Monday, January 12, 2015

11:45 am Shuttle pickup @ Airport to Hotel
FLIGHT PASSENGERS ARRIVE

12:30 pm - 3:00 pm COMMISSIONERS w/ OVERNIGHT ACCOMMODATIONS
Hotel Check-In at Crowne Plaza Downtown, 555 East Canal Street, Richmond
(Please see Directions and Accommodations for further information)

1:00 pm TROF Committee Meeting

2:00 pm Southwest Economic Development Committee Meeting

3:30 pm R&D Committee Meeting

5:00 pm Executive Committee Meeting

6:00 pm Shuttle pickup @ Hotel to Southern Season/Southerly Rest.

6:30 – 8:30 pm RECEPTION
Southern Season/Southerly Restaurant, 2250 Staples Mill Rd., Richmond

7:15 pm Shuttle pickup @ Southern Season/Southerly Rest. to Hotel
8:15 pm Shuttle pickup @ Southern Season/Southerly Rest. to Hotel
9:00 pm Shuttle pickup @ Southern Season/Southerly Rest. to Hotel

ALL
meetings
both days
held at the
Crowne Plaza

Tuesday, January 13, 2015

7:30 am – 9:00 am breakfast buffet – Capitol Room

8:30 am COIA/FOIA training for ALL Commissioners
(excluding Legislators unless interested)

10:00 am Commission Meeting

*ORIENTATION for interested Commissioners will commence after
Commission meeting adjourns. Pickup your lunch in the Capitol Room
and promptly return to the meeting space.*

11:00 am – 1:00 pm lunch buffet – Capitol Room

12:30 pm Shuttle pickup @ Hotel to Airport
FLIGHT PASSENGERS DEPART

Don't forget
to see Stacey
for parking
vouchers
each day

NOTE: At any time between 6:00 am and 11:00 pm you need transportation within a 2 mile radius, the Crowne Plaza supplies a shuttle. Allow 10-15 minute lag. Call or visit the front desk to schedule.



FLIGHT ITINERARY

Abingdon Passengers:

Montgomery
Redwine
Reynolds
Stamper
Williams

Please arrive at least 15 minutes prior to departure!

Monday, January 12, 2015

depart Bristol (TRI-CITIES) - 10:45 am
arrive Richmond (RIC) - 11:40 am

Tuesday, January 13, 2015

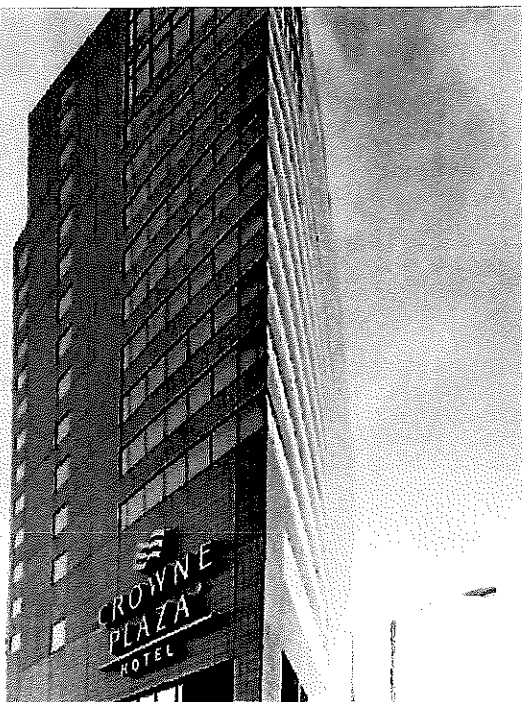
depart Richmond (RIC) - 12:45 pm
arrive Bristol (TRI-CITIES) - 1:50 pm

RIC: Va Dept of Aviation
5702 Gulfstream Road
Richmond, VA 23250
804-236-3639

TRI: Tri-City Aviation
253 Airport Circle
Bristol, TN
423-325-6261

GROUND TRANSPORTATION to and from the Crowne Plaza Downtown provided by James River Transportation. 804-249-1052 A van will be waiting to transport all of you at once.

Barnard
Cannon
Capps
Coleman
Dawson
Harris
Montgomery
Moss
Owens
Redwine
Reynolds
Shell
Spiers
Stamper
Stephenson
Sutherland
Walker
Williams
Wright



Crowne Plaza Hotel – Downtown Richmond

555 East Canal Street, Richmond, VA 23219 804-788-0900

Features a fitness center and an indoor pool/sauna and the Great Room and Pavilion Cafe offer two delicious dining options. Normal check-in is 3:00pm; however, most rooms will be available by 1:00pm. Check-out is noon.

Directions: I-64 East to Exit 75 – 3rd Street Downtown/Coliseum. Keep straight over Broad and turn Left onto VA-147/Cary Street. Turn right onto 6th Street, then Right on Canal Street. We ask that you not valet. Adjoining parking deck on Left past hotel entrance. Keep ticket and see Stacey for free parking pass or there will be a charge to leave deck. Overnighters can come and go with room key at no charge.

Southern Season – Southerly Restaurant

2250 Staples Mill Road, Richmond, VA 23230 804-292-3446



Southerly Restaurant capitalizes on the abundance of local farmers and artisans across the state of Virginia, from the Tidewater region to the Shenandoah Valley. The Executive Chef designs menus for breakfast, lunch, dinner and weekend brunch that make the most of seasonal ingredients with a nod towards Richmond's deep Southern roots. Echoing the inviting atmosphere of Southern Season, expect a casual yet refined feel fit for every occasion, whether an afternoon lunch or a special event. Award-winning Executive Chef Durante applies his international training to classic Southern fare with a commitment to sourcing fresh, local ingredients.

Directions: From the Hotel, go left out of Hotel towards 5th Street. Turn Right on South Belvidere Street. Slight merge onto I-64 West/I-95 North toward Washington/Charlottesville. Take Exit 185 to Staples Mill Road/Route 33 East – keep Left at the fork. Drive 0.3 miles and turn right into parking lot.



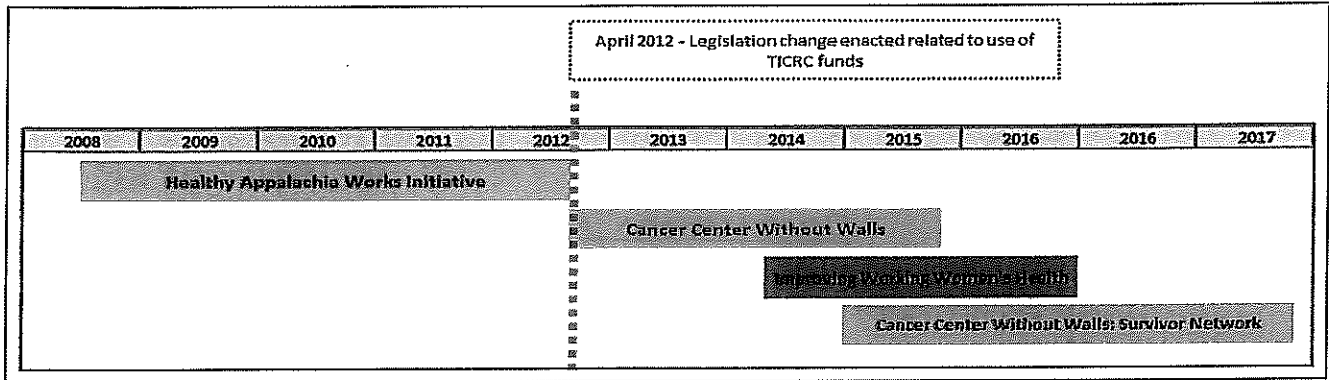
COMMISSION AGENDA

Tuesday
January 13, 2015 @ 10:00 am
Crowne Plaza Hotel Downtown
Richmond, VA

Welcome and Call to Order	<i>The Honorable Terry G. Kilgore, Chairman</i>
Call of the Roll	<i>Tim Pfohl, Interim Executive Director</i>
Approval of <u>9/25/14</u> minutes	<i>(published on website)</i>
University of Virginia Cancer Center	<i>Director Thomas P. Loughran, Jr., MD</i>
VCU Massey Cancer Center	<i>Director Gordon D. Ginder, MD</i>
Agribusiness	<i>Robert Spiers, Chairman</i>
R & D Committee	<i>The Honorable Kathy J. Byron, Chairman</i>
Southside Economic Development Committee	<i>The Honorable Tommy Wright, Chairman</i>
Southwest Economic Development Committee	<i>The Honorable David Redwine, Chairman</i>
TROF Committee	<i>The Honorable Danny Marshall, Member</i>
Executive Committee	<i>The Honorable Frank Ruff, Vice-Chairman</i>
Public Comments	
Adjourn	

**If interested in attending Orientation, pickup lunch in the Capitol Room and return to meeting space.*

UVA CANCER CENTER’S PARTNERSHIP WITH AND SUPPORT FROM THE TOBACCO COMMISSION



Healthy Appalachia Works Initiative

Breast Cancer Screening, Expanding Telehealth Infrastructure, and Education & Training
July 2008 – July 2012; TICRC Funding: \$995,602

Cancer Center Without Walls

Increasing access to the benefits of cancer research and advanced cancer care in Southwest Virginia
September 2012 – September 2015; TICRC Funding: \$964,390; Match: \$1,010,502

Improving Working Women’s Health in the Tobacco Region through Telemedicine

Breast cancer screening and perinatal care for high-risk pregnancy
May 2014 – October 2016; TICRC Funding: \$927,793; Match: \$1,839,765

Cancer Center Without Walls: Survivor Network

Develop new ways to use telemedicine and community health workers to increase services for cancer survivors
October 2014 – September 2017; TICRC Funding: \$560,710; Match: \$597,744

Outcomes to date from TICRC-Funded Programs:

Provider Education			
Project	Outcomes	Area served	Comment
1. Faculty at the UVA School of Nursing have developed a curriculum, Fundamentals of Research for Nurses, to introduce clinical trials and cancer research to nursing students.	<ul style="list-style-type: none"> 10 Nursing Students at UVA Wise completed the course 32 Professional Nurses in SWVA completed the course 	Cumberland Plateau, Lenowisco, Washington	The overwhelming success of the course has prompted the School of Nursing at UVA and UVA Wise to incorporate this into their curriculum for all future students.
2. Expanded number of SWVA Nurse Practitioners who are trained to provide colposcopy services for patients in the local community	<ul style="list-style-type: none"> 5 Nurse Practitioners have received training 	Wise, Lenowisco, Tazewell, Danville	Karen Falk, NP (Wise), Teresa Gardner and Paula Meade, DNP (Health Wagon), Nancy Blevins, NP (Tazewell), and Liz Hagen, NP (Danville)

Screening & Diagnosis			
Project	Outcome	Area served	Comment
1. Increased access to early detection of cancer services by supporting digital mammography	<ul style="list-style-type: none"> 666 patients screened in the Tobacco Footprint 	Buchanan, Dickenson, Lee, Scott, Russell, Wise, Patrick, Carroll, Prince Edward	Screening in SWVA has been limited due to mechanical issues with the mobile mammography unit.
2. Purchased a new mobile mammography unit	<ul style="list-style-type: none"> Designed a new mobile outfitted with advanced telemedicine equipment and diagnostic tools 		Delivery scheduled for Spring 2015
3. Increased access to complex diagnostic procedure via telemedicine technology by providing video-colposcopies	<ul style="list-style-type: none"> 158 patients have been seen for video-colposcopy 	Wise County, City of Norton Health Department, Health Wagon (Wise and Clintwood)	
4. Established a case conferencing platform for communication between physicians and nurse practitioners	<ul style="list-style-type: none"> Piloted at the initial sites 	Health Wagon, Norton, Wise County Health Department, Danville	Platform developed by the Collaborative Medical Technology Corporation (CMTC)
5. Expanded video-colposcopy services by adding clinical sites	<ul style="list-style-type: none"> 4 sites equipped with video-colposcopy units 	Health Wagon, Wise County Health Department, Danville, Tazewell	In November 2014, UVA Cancer Center representatives will visit Danville and Tazewell to discuss set-up.

Patient Navigation			
Project	Outcome	Area served	Comment
1. Developed a Lay Navigation Program in SWVA to increase awareness of cancer prevention, early detection, and utilization of local resources.	<ul style="list-style-type: none"> • 6 <i>Understanding Cancer</i> workshops have been conducted • 90 participants have been trained and each has committed to completing at least 2 encounters • 2 information sessions on clinical trials (1 in each Health District) • Over 1500 community encounters 	Health District 1 and Health District 2 (Scott, Lee, Wise, Russell, Dickenson, Tazewell, Buchanan), Albemarle	A training curriculum, <i>Understanding Cancer</i> , has been developed in partnership with the Appalachia Community Cancer Network (ACCN).
2. Established a dedicated team in SWVA to lead and implement the Lay Patient Navigation Program and Clinical Trials Navigation	<ul style="list-style-type: none"> • Hired 4 patient navigators who live & work in SW Virginia 	Health District 1 and Health District 2	Sub-contracted with Mountain Empire Older Citizens (Big Stone Gap, VA) to manage staff to recruit and train lay navigators.
3. Provided easy access to UVA Cancer Center services to patients from the Tobacco Footprint	<ul style="list-style-type: none"> • Provided direct services to 78 patients from the Tobacco Footprint at the UVA Cancer Center 	Lee, Wise, Dickenson, Russell, Washington, Smyth, Grayson, Wythe, Pittsylvania, Danville City, Bedford, Campbell, Halifax, Appomattox, Buckingham, Martinsville City	Patients received general navigation information and resources of support available at UVA, through American Cancer Society programs, and support available in the home communities of the patients. Patients also received gas cards to support travel costs.

Research			
Project	Outcome	Area served	Comment
1. Developed cancer research protocols to address cancers that disproportionately affect residents of the Tobacco Region.	<ul style="list-style-type: none"> Twenty-one active UVA protocols have been identified 11 participants residing in the Tobacco Footprint have enrolled in these trials 	Cumberland, Bedford (2), Washington, Russell, Dickenson, Wythe, Appomattox, Pittsylvania, Prince Edward, and Halifax	Trials focus on the following cancers: breast, colorectal, lung/bronchus, melanoma, oral, ovarian.
2. Conducted Needs Assessment to gauge the interest in & availability of cancer clinical trials	<ul style="list-style-type: none"> 56 participants for focus groups 	Lenowisco, Dickenson, Russell, Abingdon	
3. Evaluated the feasibility and effectiveness of the telecolposcopy program in SWVA by interviewing patients and providers.	<ul style="list-style-type: none"> 10 providers and 55 patients recruited to the study 	Wise County, City of Norton Health Department, Health Wagon (Wise and Clintwood)	
4. Established Healthy Appalachia Fellows Program	<ul style="list-style-type: none"> Mentored 15 undergraduate and graduate students 		Several students now currently in medical school

Recently Awarded Project – Start Date 2/1/2015

Create a Virginia Cancer Survivor Network

- Design, develop, and submit IRB protocols for research activities
- Develop survivor recruitment and outreach strategies
- Design and develop a database to organize and analyze survivor data
- Recruit 500 cancer survivors to participate in the survivors roster
- Conduct focus groups with survivors to assess needs

Integrate telemedicine and community health worker strategies to increase services for cancer survivors

- Train 100 health professionals to be certified STAR Telehealth specialists
- Confirm telemedicine equipment needs for clinical sites, purchase and deploy
- Provide targeted services (based on information collected in Aim 1) to survivors
- Recruit and train 100 CHWs across the Tobacco Footprint to promote survivorship services

Develop new ways to use and combine telemedicine and community health workers to improve cancer survivorship through 3 pilot studies

- Design and execute a study to examine using telemedicine to reduce travel time and expenses for bone marrow transplant patients. Provide follow-up care to 20 bone marrow transplant patients.
- Design and execute a study to test geriatric oncology assessment through telemedicine. Provide geriatric assessments to 75 patients.
- Design and execute a study that investigates using telehealth to introduce validated exercise programs to cancer survivors. Enroll and evaluate 100 cancer survivors.



VCU



**VCU Massey Cancer Center
TICRC Grant Award Accomplishments**

Grant #1615

Awarded: 10/30/2008

Award Amount: \$1,000,000

Title: "Cancer Research Rural Outreach Program Southside Cancer Clinical Trials and Prevention and Control Research"

5 Projects funded:

	Project Title	Areas Served
1	Clinical Research Outreach Program	Greensville, Emporia
2	Library Health Kiosk Program	Campbell County, Pittsylvania County
3	Smoking Prevention PSA Program	Greensville through Halifax County
4	Health Literacy Project	Danville
5	Health Economics Study	Martinsville

Accomplishments:

- 24 Southside residents accrued onto therapeutic clinical trials
- 74 Southside residents accrued onto prevention/non-therapeutic clinical research projects
- 450 Greenville residents participated in free dental clinic
- 17 Southside breast cancer survivors enrolled onto research study
- 206 Campbell County residents participated in Library Health Information Advocacy (HIA) programs
- 208 Pittsylvania County residents participated in Library Health Information Advocacy (HIA) programs
- 22,934 Visits to HIA website
- 306,666 HIA Website pages viewed
- 58 Southside residents enrolled onto Health Economics Study
- 7 Southside residents employed on grant projects

Grant #2083

Awarded 7/29/2010

Award Amount: \$2,391,000

Title: "Saving Lives and Reducing Suffering and Death from Cancer in Virginia"

5 Projects funded:

	Project Title	Areas Served
1	Health Information Advocacy Program	Halifax County, South Boston, Nottoway County, Blackstone, Burkeville, and Crewe, Campbell County, Rustburg, Timberlake, Altavista, Brookneal, Pittsylvania County, Chatham, Mt. Hermon, Greta, Danville, Bassett, Ridgeway, Patrick County, Henry County, Martinsville, Brunswick County, Greenville County, Lawrenceville, Emporia, Prince Edward County, Buckingham County, Farmville, Dillwyn



VCU



1a	Cancer Resource Centers of Southern Virginia	Danville
2	Day and Night Lifestyle and Cancer Survival Study	Danville, Martinsville, South Hill, Farmville, Emporia
3	Addressing Educational, Clinical and Advocacy Needs Related to Cancer in Southside and Southwest Counties	Crater, Pittsylvania/Danville, Piedmont, and Mount Rogers Health Districts
3a	Cancer Needs Assessment - CEEP Project (Community Engagement Educational Project)	Piedmont, and Mount Rogers Health Districts
3b	Cancer Needs Assessment – Project LIFE! (Lord, Intimate Relationships, Fitness, and Early Detection)	Danville, Pittsylvania County
4	Employee to Employer Communication Skills: Balancing Cancer Treatment and Employment	Southside Region
5	One Tiny Reason to Quit PSA Program	Danville through Abingdon regions

Accomplishments:

- 11 Southside residents hired to serve as HIA Specialists
- 414 residents attended HIA training
- 4,038 Residents received individual training
- 7,898 Attendees to regularly scheduled programs
- 9,498 Residents attended community education programs
- 59 Nutrition presentations conducted
- 1,228 Residents participated in nutrition programs
- 11,448 HIA Newsletters distributed
- 64,377 Visits to HIA website
- 338,237 HIA Website pages viewed
- 172 Individual contacts made at Danville Cancer Resource Center
- 8,836 Information packets distributed at Resource Center
- 70 Programs conducted at Resource Center
- 2,442 Attendees to Resource Center programs
- 172 residents accrued onto Day and Night Lifestyle and cancer survival study
- 3 Health District Cancer Needs Assessments published
- 312 Residents participating in Needs Assessment town halls
- 15 residents trained as LIFE! Health Coaches
- 415 residents were recruited and participated in Project LIFE!
- 452 residents were recruited and participated in Project CEEP
- 2 Local residents hired to conduct research collection for Employee to Employer Communication Skills project
- 34 Cancer survivors enrolled onto Employee to Employer Communication Skills project
- 40 Calls received to 1-800 QUITNOW
- 22 Total Southside residents employed by grant

37,812 Total number of residents of the Southside and Southwest Region served by the project



VCU



Grant #2585

Awarded 9/27/2012

Award Amount: \$559,104

Title: "Improving the Health and Productivity of the Tobacco Region Workforce"

5 Projects funded:

	Project Title	Areas Served
1	Addressing Educational, Clinical and Advocacy Needs Related to Cancer in Southside and Southwest Counties	Central Virginia Health District, Southside Health District, West Piedmont Health District, Cumberland Plateau Health District, and Lenowisco Health District
2a	Improving Cancer Screening in the Piedmont Health District (CEEP I & II)	Piedmont, and Mount Rogers Health Districts
2b	Can Health Literacy be Measured Online and Does it Predict Cancer Prevention Screening?	Emporia, Danville, Mt. Rogers Health District
3	Obesity and Colorectal Cancer Screening	Crater, Piedmont, and Southside Health Districts
4	Designing around health behaviors: What we can learn about uninsured smokers' health literacy and health insurance choices to help them make better coverage decisions in Virginia's individual and small group markets	Southside Region
5	Using Online Communication Training to Promote Employment Retention among Cancer Survivors.	Southwest Region

Accomplishments:

- 28 Key Leaders interviewed for Cancer Needs Assessments
 - 146 Community physicians participated in surveys
 - 256 Health District residents participated in town hall meetings
 - 5 Health District Cancer Needs Assessments published
 - 504 Participants in CEEP II project
 - 52 Southside patients received personalized navigation to increase access to health screenings
 - 413 Residents responded and participated in online health literacy survey
 - 2,527 Obesity and Colorectal Cancer Screening surveys mailed
 - 1,547 Surveys received back from participants
 - 803 Southside uninsured lifetime smokers completed health insurance choices survey
 - 10 Southwest employed cancer patients participated in the online communication training project
 - 21 Total Southside and Southwest region residents employed by grant
- 4,296 Total number of residents of the Southside and Southwest Region served by the project



VCU



Grant #2749

Awarded 9/26/2013

Award Amount: \$3,000,000

Title: "Working to Achieve a Cancer Free Virginia"

Grant start date: 2/1/2014

3 Initiatives funded:

	Project Title	Areas Served
1	Develop a clinical trials network that provides greater quality and scope of clinical research for residents throughout the Commonwealth of Virginia	Amelia County, Nottoway County, Dinwiddie County, Charlotte County, Campbell County, Pittsylvania County, Halifax County, Mecklenburg County, Lunenburg County, Brunswick County, South Hill, Emporia, Lawrenceville, Richmond,
2	Achieve substantial growth in the depth and breadth of Massey's basic, translational, clinical, and prevention and control research to benefit the citizens of the entire state of Virginia	Amelia County, Nottoway County, Dinwiddie County, Charlotte County, Campbell County, Pittsylvania County, Henry County, Halifax County, Mecklenburg County, Lunenburg County, Brunswick County, Danville, Martinsville, Emporia, South Hill, Lawrenceville, Richmond
3	Provide greater quality and scope of clinical care and prevention and control services targeted for residents throughout the Commonwealth	Nottoway County, Dinwiddie County, Charlotte County, Campbell County, Henry County, Pittsylvania County, Halifax County, Mecklenburg County, Lunenburg County, Brunswick County, Danville, Martinsville, Emporia, South Hill, Lawrenceville, Richmond

Accomplishments to Date:

- 4 Early Phase clinical trials opened between VCU and UVA to date
- 6 Patients enrolled to date
- 12 New Therapeutic trials open to date
- 46 Patients enrolled to date
- 4 Southside cancer patients referred to Massey for early phase trials to date
- 4 Clinical trials open at Community Memorial Healthcenter, South Hill
- 2 Cancer patients accrued onto trials
- 15 Community presentation made by Resource Center staff to date
- 121 Residents attending community presentations to date
- 168 Educational packets distributed to date
- 16 Individual sessions with cancer patients/survivors to date
- 125 One-on-one colorectal cancer awareness conversations with residents
- 677 Attendees to regularly scheduled seminars/events to date
- 7 Southside region residents employed by grant to date

- 1,165 Total number of residents of the Southside Region served by the project to date



VCU



Grant #2930

Awarded 9/12/2014

Award Amount: \$650,000

Title: "Continuing to Work to Achieve a Cancer Free Virginia"

3 Initiatives funded:

	Project Title	Areas Served
1	Continue to develop a clinical trials network that provides greater quality and scope of clinical research for residents throughout the Commonwealth of Virginia	Amelia County, Nottoway County, Dinwiddie County, Charlotte County, Campbell County, Pittsylvania County, Halifax County, Mecklenburg County, Lunenburg County, Brunswick County, South Hill, Emporia, Lawrenceville, Richmond,
2	Continue to achieve substantial growth in the depth and breadth of Massey's basic, translational, clinical, and prevention and control research to benefit the citizens of the entire state of Virginia	Amelia County, Nottoway County, Dinwiddie County, Charlotte County, Campbell County, Pittsylvania County, Henry County, Halifax County, Mecklenburg County, Lunenburg County, Brunswick County, Danville, Martinsville, Emporia, South Hill, Lawrenceville, Richmond
3	Continue to provide greater quality and scope of clinical research and prevention and control services targeted for residents throughout the Commonwealth	Nottoway County, Dinwiddie County, Charlotte County, Campbell County, Henry County, Pittsylvania County, Halifax County, Mecklenburg County, Lunenburg County, Brunswick County, Danville, Martinsville, Emporia, South Hill, Lawrenceville, Richmond

Anticipated grant start date: 2/1/2015

FY15 Agribusiness

Committee Recommendations – December 2014

The Commission received ten proposals for FY2015 Agribusiness funds by the announced due date in October. The Committee met December 17th and adopted the following funding recommendations. Summaries of the proposals are contained below. Other Business regarding older grants that seek extensions is also included.

Req #	Organization Name	Project Title	Request Amount	Committee recommendation
2956	Blue Ridge Center For Chinese Medicine Inc	Appalachian Medicinal Herb Growers Consortium	\$152,660	\$152,660
2957	Buckingham Cattlemen's Association	Buckingham Agricultural Resource Network (B.A.R.N.)	\$265,549	\$265,549
2973	Town of Farmville	Regional Processing For Aquaculture Producers	\$398,500	\$200,000
2959	Lenowisco Planning District Commission	LENOWISCO Agricultural Development Strategic Plan	\$10,000	\$10,000
2961	Region 2000 Research Institute	Farm Based Bio-Ethanol Micro Plant	\$632,900	\$37,500
2962	Southwest Livestock Cooperative, Inc.	Southwest Livestock Center	\$467,140	\$467,140

Total (10 requests/6 recommendations)	\$3,152,772	\$1,132,849
Amount available before/after recommendations	\$1,356,356	\$223,507

Blue Ridge Center For Chinese Medicine Inc
Appalachian Medicinal Herb Growers Consortium (#2956)
\$152,660 requested

Executive summary provided by applicant: Farmers can increase their income by \$39,688/year after 5 years by joining with the Appalachian Medicinal Herb Growers Consortium and utilizing the seeds/plants from the 2006-established BRCCM Chinese Medicinal Herb Garden to expand a 2014 pilot project designed to increase the income of at least 50 Floyd County farmers. In its first year, the Consortium already consists of 33 farmer Cohort members with an Advisory Committee; 9 farms were planted in 2014. Two hands-on project managers assist farmers with planting, growing, harvesting, and processing medicinal herbs to provide a Living Wage. This project is high ROI, concept-proven, and virtually risk-free. BRCCM has identified a major problem/opportunity: of 864 farmers (2007 census) in Floyd County, 745 (86%) cannot earn a Living Wage farming. BRCCM has a solution: growing medicinal herb crops that have a significantly higher ROI than conventional crops. Floyd is at the same latitude as herb farms in China and BRCCM's Gardens are established. Over 27,000 Chinese medicine practitioners are licensed in the U.S. and buy herbs

directly. Demand for quality herbs is strong and supply is short. BRCCM's herbs have been independently tested and found superior to imports from China, primarily due to heavy pollution in China. BRCCM's Garden serves as the "feeder/supplier" for the seeds/seedlings/transplants needed by the farmers to participate in the project. Only 4-feet x 100-feet is needed to grow a 10-species garden. Cohort 1 (9 farms) Gardens were planted in Summer 2014; Cohorts 2 and 3 will be planted in Spring 2015. The Appalachian Medicinal Herb Growers Consortium (local Consortium) is a BRCCM subsidiary and founding member of the Eastern Forest Chinese Herbal Medicine Consortium (national Consortium). The national Consortium coordinates the marketing/sales of the herbs, thereby eliminating the need for direct farmer marketing/sales. The assistance of the project managers will be ongoing. Chinese medicinal herbs will become the largest export product in Floyd/Region. Hands-on managers will train farmers to participate on a small scale that can be continually expanded; high crop ROI, increased income, and retained/new jobs are expected outcomes with almost no Risk. The roles of the local Consortium and national Consortium are established. Project consultants indicate Full Potential income increases to \$116,459 after 5 years. The goal is for Farmers to receive 75% of the net revenue from their Gardens; the local Consortium will receive 25% to sustain project operations. Current farmer interest indicates the 50-farmer goal will be exceeded.

Staff comments: Funds are requested to expand the operations and supply chain of the Blue Ridge Center for Chinese Medicine, a 501C3 nonprofit based in Floyd County. The application estimates that farmers participating in the Appalachian Medicinal Herb Growers Consortium can increase their income by nearly \$40,000 per year after five years. The first cohort gardens were planted in Spring 2014 and cohorts 2 and 3 will be planted in Spring, 2015. While the BRCCM and majority of the 33 participants are located in Floyd County, the project is not limited to Floyd. Cohorts 1, 2, and 3 have farmers located in Franklin, Carroll, Patrick, Grayson, and Bedford Counties. Commission funds will be used for staffing and equipment needs to assist cohort members in establishing new herb plots, and to process the herbs to prepare them for sale. Matching contributions of \$329,334 are committed with approximately \$161,000 cash contributed from two private sources and the remainder from in-kind contributions of the applicant. Since this organization submitted a previous grant request that was passed by last year, it has engaged several committed producers in a regional area, and provided stronger evidence of a viable supply chain that will allow locally-grown herbs to be sold to national wholesalers. While this is clearly a niche product that is grown in very small plots, it appears to have potential for measurably supplementing farm income for interested producers.

Committee recommends award of \$152, 660.

Buckingham Cattlemen's Association

Buckingham Agricultural Resource Network (B.A.R.N.) (#2957)

\$265,549 requested

Executive summary provided by applicant: The Buckingham Cattlemen's Association (BCA) would like to propose the Buckingham Agricultural Resource Network (BARN) project, as an agricultural hub and education center for producers. The BARN project consists of a metal building with a large meeting room and kitchen. It is located at the geographical center of the state. The BARN will cost an additional \$409,858.71 and create 25 part time jobs. The BCA and BARN committee have solicited \$59,310 monetary donations for the project. They have also applied for a USDA facilities grant in the amount of \$50,000 and a VDACS Planning grant in the amount of \$35,000. The BCA loses \$48,570 per year through additional market costs, fuel and labor costs, and cattle shrink each year due to the approximate 60 minute drive to the Livestock Market. The BCA's creditability has been affected by errors occurring at the Market. The membership of the BCA is too large for meeting space in Buckingham County. There is no room for growth within the activities of the Cattlemen's Association without an Agricultural Center. The local

farmer's market could not find a good location for their activities. Meeting space is limited for BCA, Extension, and 4-H educational activities and agricultural demonstrations. Lynchburg Livestock Market will work with and support the BCA in a local working/load out facility in Buckingham County. Local producers would not have to haul their cattle 60 minutes, spending money on fuel/labor and losing money on cattle shrink. Jobs would be created during load out and sales and the BCA could ensure the correct cattle go on each load. The regional membership, local 4-H, Extension, NRCS, Soil and Water Conservation would have space for meetings and educational programs. The local Farmer's market would have a covered area to sell produce and a kitchen to have cooking demonstrations. The BARN project would bring more agricultural dollars back to the county and region, as well as provide room for expansion and improvement in the agricultural industry of central Virginia. It would also provide the area with an educational activity center, gathering place, and agricultural hub, bringing more dollars back to local stores, fuel stations and provide the need for economic growth. The BCA with its regional participation could improve and grow, providing for more producers, become more efficient in their current programs and become a strong, reliable source of sought after, locally grown beef in the region.

Staff comments: Funds are requested to complete construction of the 16,000 sq. ft. BARN facility in Buckingham County to serve association members from eleven tobacco region counties. Grant funds would be used for finishing of 4,685 sq. ft. of interior space, costs for well and septic, stormwater management facilities, and equipment including fans for working area, ranch equipment for cattle handling, bleachers and a tractor. This facility is somewhat of a parallel to similar TICR-funded facilities built in Pittsylvania, Halifax and Dickenson, and it should be noted the benefits cited above will accrue annually over the 40 year useful life of the building. Totals costs for the facility are at over \$1 million, of which the Commission previously provided a \$550K grant two years ago that was matched by \$121K. An additional \$141K match is included in the current proposal, including approved local funds and two intended grant applications (VDACS-AFID and USDA). The finished space of 4,686 sq. ft. includes 2909 sq. ft. for meeting room, 766 sq. ft. bathrooms and sale/weight room, and 1010 sq. ft. for the kitchen, utility room, foyer, and storage area. A site visit to the BARN facility in early November revealed the structure is largely complete (with the exception of interior finishing). The applicant explained that the space is identified as a "meeting room" this is actually the area where the cattle Tel-O auctions are performed. On a membership list provided with the proposal it was noted that 147 of the 154 total names had addresses in the tobacco region. Staff questioned language in the Special Use Permit issued by Buckingham County limiting use of the facility to 12 sales events per year and how this would impact operating revenues. It was explained that the limit is for the number of events, for which each "event" could be over a weekend and include multiple sales; and that this number does not affect other sales, such as hay sales. If this request is approved, the facility could be open for business by mid-2015. This request was the highest scoring proposal in the staff review process, due to its regional reach across multiple counties and agricultural sectors.

Committee recommends award of \$265,549.

Town of Farmville

Regional Processing For Aquaculture Products (#2973)

\$398,500 requested

Executive summary provided by applicant: Initially, the primary objective of this project is to establish a processing facility for aquaculture products. The Town of Farmville will own the USDA approved mixed-use manufacturing complex and develop a lease to purchase agreement with the Virginia Aquaculture Network to buy the building in 5 years. Approximately 4,000 SF will initially be dedicated for processing and further processing of fish and shellfish serving Southside and Southwest Virginia producers. The unfinished

6,000 SF will be available for future growth (ie: fruits vegetables and other agriculture related value-added products processing). Aquaculture is the fastest growing sector of the agricultural economy in the United States who imports over 80% of the seafood it consumes. Imported products arrive with little oversight for food safety, ecological impacts and social issues. This large seafood trade deficit is in stark contrast to the other food proteins we grow in the United States, chiefly poultry, beef and pork. Producers throughout Virginia are in need of a facility where they can bring their aquaculture and other agriculture-related products to be processed in a USDA-approved facility for local, regional, state and global export sales. The facility will be centrally located to the existing 20+ producers and will reduce their travel time and associated expenses to a USDA-approved processing facility. It will also offer quick freezing processing that offers two significant advantages over standard freezing methods: freezing products in seconds instead of over 10 to 60 minute time periods preserves the texture of the product making it similar to a fresh product in terms of overall quality, and IQF freezes each piece of fillet or shrimp tail individually so they do not clump together. These advanced methods will enable further marketing opportunities for the producers. The benefits are increased opportunities for regional producers, local job creation, job retention, provide a significant economic impact to the region and enable opportunities for other value-added products to expand to this location and utilized as a mixed-use manufacturing complex. Another advantage is partnering with Virginia Tech's research & development department enabling training opportunities for "potential" young producers. The educational component will assist marketing ventures for local producers in hopes of contributing to Virginia's export market.

Staff comments: This is essentially the same project that was approved for \$438,500 in FY14 Agribusiness for a site in Charlotte County. Charlotte County has effectively withdrawn from the project, and VAN officials have worked with Town of Farmville to identify this alternate site for the project. *(NOTE: As this project is no longer actively considering a Charlotte site, the Committee recommends in the Other Business section of this report that the previous approval of grant #2799 to locate this project in Charlotte be rescinded).* Like the previous grant, the current request seeks the same equipment (\$314k), supplies (\$10k), contractual (\$69k) and travel (\$7k) to purchase and install equipment in the proposed facility in an industrial area of Farmville to house the aquaculture processing center. The Virginia Aquaculture Network (VAN), a for-profit member-owned business and the affiliated private Heartland Food Center Inc. (whose principals are also members of VAN) would use and operate the center. While the budget chart shows all funds going to equipment purchases, it should be noted that the contractual cost is to pay Virginia Tech for technical assistance in product development, employee training, marketing and other start-up operational costs. The application indicates a 10,000 sq. ft building with 4,000 sq. ft built out for the processing center, as well as 6,000 unfinished sq. ft. for expansion of this and/or other food-related businesses. Supplemental info provided by the Town now indicates a 6,600 sq. ft. building at a cost of \$632k. An accompanying request submitted by Farmville to the Commission's Southside Economic Development program for \$194,000 was recommended for approval in that Committee on December 17th to partially fund the cost to construct the proposed building. Farmville indicates it will also apply to the VDACS AFID program for funds to construct the building, and request \$100,000 from the VDOT Access road program for a service road to the site. The ownership of the building and equipment will initially be titled to the Town of Farmville, which is proposing to lease the space at no cost to VAN/HFC, with an option to purchase the building and equipment in five years. VAN is the beneficiary of two previous TICR grants totaling \$285,000 to establish its operations, expand its producer base, and market products, which it has done successfully at farmers markets and to institutional buyers across Virginia. Fifteen of VAN's 20 current members are farms within the tobacco region. A barrier to further expansion is the lack of flash-freezing capacity requested here, and easy access to a USDA-approved processing center that allows sales to customers outside Virginia (currently VAN trucks its product to Hampton for processing). The proposal lists outcomes of 20 new jobs in the commercial kitchen and processing, and \$150,000 of new producer income. The operators have provided a pro forma that has been vetted by VA Tech and initially shows modest net income over the first three years of operation, along with

estimated tax payments of \$100,000 to local/state/federal governments from sales generated at the facility. Given the project's recent efforts to relocate to Farmville in late-summer 2014, several issues regarding the construction of the building (the site is a former lagoon) and funding appear to still be in development. Given that the beneficiary is a private for-profit, Staff is suggesting a greater matching fund commitment, and has suggested the USDA Rural Business Enterprise Grant program as one potential source of matching funds, as well as VDACS-AFID.

Committee recommends this project be approved for 50% of equipment/supplies/contractual costs, not to exceed \$200,000, contingent on matching funds for equipment and funds needed to construct the facility be committed by September 1, 2015.

Lenowisco Planning District Commission
LENOWISCO Agricultural Development Strategic Plan (#2959)
\$10,000 requested

Executive summary provided by applicant: The localities of the LENOWISCO Planning District - Lee, Scott and Wise Counties and the City of Norton - wish to develop a strategic plan to fully analyze and incorporate agricultural development into the region's overall economic development efforts. There are a wide range of agricultural and forestry interests in the LENOWISCO district. Recent significant gains had been made in taking advantage of the region's assets, from heritage and cultural tourism to outdoor recreation. Initiatives such as the Crooked Road, 'Round the Mountain, the Spearhead Trail System, and Appalachian Spring are evidence of these efforts. The PDC looks to initiate the process to determine the possibility of a regional collaborative effort to support the district's agricultural and forestry assets. The Applicant proposes to develop a strategic plan to analyze and incorporate agricultural development into the district's overall economic development efforts, which in recent years have increasingly included asset-based development in addition to long-time, conventional efforts. Local discussions among various stakeholders regarding agriculture- and forestry-based development, specific to this project, have identified present activities, challenges and inefficiencies in both produce and livestock; growth opportunities; structural opportunities; obstacles; challenges in youth participation, with education opportunities; and the opportunity and need for agriculture to be fully viewed as an "industry," taking its place in regional economic development. Completion of this planning project will play a role in the ongoing support of these various interests and of the larger region.

Staff comments: This request builds on recent regional planning efforts by the PDC to create a strategy to promote agricultural development in the district (two community meetings in the past year have shown good participation and producer interest). This request is well matched with a cash commitment totaling \$10,000 from the Counties of Lee, Scott, Wise, and the City of Norton. The local match, along with the requested TICRC funds, will serve as the required match for a \$20,000 VDACS – AFID planning grant application. The specific scope of the proposed strategic plan is not discussed, and TICR staff would note that a successful effort will require support from the AFID program, a well-defined scope of work, development of the plan by a qualified agribusiness consulting firm and strong involvement from producer stakeholders in the entire process.

Committee recommends award of \$10,000 contingent upon approval of the intended AFID application.

Region 2000 Research Institute
Farm Based Bio-Ethanol Micro Plant (#2961)
\$632,900 requested

Executive summary provided by applicant: The Center for Advanced Engineering and Research (CAER) is sponsoring an open source collaborative engineering consortium to design, test, and implement a farm based bio-ethanol micro plant system. The consortium will include Trinity Energy, who will develop and operate a farm based pilot plant, universities to provide research capacity and local farmers as producers of bio crops. These micro plants would allow local farms to produce and sell ethanol. This program will provide farms with the opportunity to develop new crops, additional sources of revenue and new jobs for local owner/operators in the region. Ethanol is a renewable, domestically produced alcohol fuel made from plant material. Using ethanol reduces dependence on oil and greenhouse gas emissions. The primary use of ethanol is for gasoline but it is seeing increased use, for example as heating oil. The challenge is to produce ethanol at competitive prices. Iowa State University economist projects that consumer demand will increase if E85 is priced at or below the point at which E85 equals E10 economically. If E10 is priced at \$3.30 per gallon, E85 should be a max of \$2.55 per gallon. Our projected price is \$2.25 per gallon. Our proposed solution is to develop and pilot a simple modular field processing trailer system and scalable distillation system that can be located at the source of the feedstock. A demonstration pilot program can be implemented in two concurrent phases. Phase I is the development and deployment of a processing trailer system that extracts the juice from the bio crop so it can be reduced into syrup for storage. Phase II would include the development and deployment of scalable distillation systems, allowing for the local production of ethanol from the feedstock syrup produced using the system described in phase I. The outcomes of this project include the broad categories of job creation, increased farm revenue and expansion of crop alternatives for farmers. Job creation would result as the processing systems are developed and rolled out. Job creation would come from technical support for the micro plant operation and from the manufacturing of the processing and distillation systems. Other outcomes include the opportunity for farmers to expand the variety of crops they grow and to increase their farm based revenue. We project this system will provide an increase in farm revenue of \$1,000 per acre.

Staff comments: The applicant, Region 2000 Research Institute, operates CAER in Bedford, and is partnering with Virginia-based Trinity Energy on this project. Funds are requested for two phases of a biofuels project: \$323,910 for Phase 1 development of a feedstock processing system trial, and planning and harvesting of up to 100 acres of feedstock; and \$348,000 for Phase 2 development, piloting, and operation of an ethanol distillation system. The applicant identifies that the design concept is also based on work by Virginia Tech, and expanded on by Louisiana State University Agricultural Center, which all identify the need for a field processing system (a small scale processing trailer has been developed and deployed in Memphis, TN by Biodimensions, Inc., and a goal of this project is to contract engineering services to develop the detailed design for demonstration of a full scale commercial processing trailer). The distillation model for this project is based on an existing 1.5 MM gpy plant in Leoti, Kansas, with the goal of the project to improve the cost model and operating efficiency for this design. The project proposes to work with producers in a four county area (Campbell, Pittsylvania, Bedford, and Appomattox Counties) to grow sweet sorghum, beets, sunflowers and yams as feedstocks, based on their high level of carbohydrates and suitability to growing in Virginia. Outcomes include an estimated \$1,000 per acre increase in farmer income based on 500 gallon per acre yield, costs to plant at \$150 per acre, income from the sale of fuel at \$1.80 per gallon (\$900 per acre), plus an additional \$100 per acre from the sale of other byproducts as fuel pellets or cattle food. The proposal estimates a \$300,000 construction cost and 4-12 jobs for operating a single biofuel production plant, with potentially multiple plants across the tobacco region. The proposal makes a reference to an "open source" engineering collaboration to develop this technology, which could allow this to be available at no cost to interested users (which could mean anywhere in the U.S. and beyond), but appears to

be primarily focused on franchising the model through Trinity Energy. However, the proposal does not provide evidence of farmer/producer interest, and supplemental info provided at Staff's request indicates the business plan is in a very preliminary form that would be refined based on this project. Until a better-developed business plan is available it is impossible to assess (among other management issues) how ethanol would be distributed to wholesalers or other end users, and how economically viable the operation of a distillation plant would be, given the fixed and operating costs described above. More than \$330,000 of equipment is requested, including trailers, tanks and distillation equipment, so any award of grant funds for equipment should address the ultimate disposition in the event of sale, lease etc. Without knowing the basic economic viability of the model, and the implications of creating a franchisable model for a private company (Trinity), a funding award of this magnitude for long-lived equipment assets and other contractual project expenses seems premature at this point.

Committee recommends award of \$37,500 for preliminary engineering of equipment systems, biologic/agricultural studies for feedstock crops, and business plan development, with all resulting data to be owned by Region 2000 Research Institute, contingent on commitment of dollar-for-dollar cash matching funds by September 1, 2015.

Southwest Livestock Cooperative, Inc.
Southwest Livestock Center (#2962)
\$467,140 requested

Executive summary provided by applicant: "The mission of Southwest Virginia Livestock Center [SVLC] is to provide services to agriculture, with an emphasis on animal agriculture, on a cooperative basis that ultimately improves our members' net income." Southwest Virginia Livestock Center's vision is to be a member-driven livestock cooperative with a rich heritage rooted in helping to create a better quality of life for our members, their families and their communities. By staying focused on our mission, the Livestock Center will meet the needs of farmers. Our expressed vision is to be the region's premier provider of livestock marketing and related services. The Agricultural activity in this region formerly dedicated to the cultivation of tobacco has largely been replaced by growth in the breeding, raising and marketing of livestock, while marketing outlets have been reduced markedly. SVLC seeks to add new and much-improved marketing opportunities to the region's producers. SVLC seeks to add new and much-improved marketing opportunities to the region's producers by providing a modern, technology oriented venue for addressing current and emerging market opportunities. The operation of the SVLC will have significant economic impact in the region through increased market access, economies realized by producers because of decreased transportation costs, shorter wait times, and increased competition for their product.

Staff comments: This project was first submitted in FY12 with the Virginia Cattlemen's Association serving as the applicant. A Committee recommendation of \$700,000 was tabled by the Commission three years ago while the Southwest Livestock Cooperative, which will own and operate the facility, pursued non-profit status. In January 2014, having achieved IRS designation, SLC was approved for \$232,860 of Agribusiness funds for the project. Those funds were insufficient to begin construction, and the project start remains on hold pending this request. The current application requests the remainder (\$467,140) of the original recommendation. Funds are specifically requested for site prep/grading (\$200,000), purchase of a 30,000 square foot metal building (\$360,000), livestock pens (\$115,000) and gravel for parking and roads (\$25,000). Matching funds of \$800,000 are indicated as "in-hand" for planning costs, land purchase, interior buildout and equipment. These matching funds have reportedly been obtained from stockholders who will be issued Preferred and Common Stock subscriptions. The site is centrally-located and accessible to a large portion of SWVA at the intersection of Routes 58 and 19 in Hansonville. This facility is somewhat of a

parallel to similar TICR-funded facilities built in Pittsylvania, Halifax, Dickenson and Buckingham. Annual transportation savings to producers who would no longer be required to take livestock to Abingdon markets is estimated at \$133,000, in addition to annual employment income of another \$133,000. It should be noted these benefits will accrue annually over the 40+ year useful life of the building. When this project was initially submitted in 2011, significant concerns were voiced by private competitors regarding the use of public funds to subsidize the facility. However, since that time the Cooperative has been designated by the IRS as a Section 521 Exempt Farmers' Cooperative, with several related conditions that must be maintained to preserve that designation. The applicant states that any profits achieved by the facility will be reinvested into the operation, maintenance, and expansion of the facility and the remainder distributed to preferred and common stockholders in the form of dividends. At Staff's request, the Commission's legal counsel has verified that this is an eligible applicant. This request was the second highest scoring proposal in the staff review process, due to its potential regional reach across multiple counties and agricultural sectors.

Committee recommends award of \$467,140 contingent on construction being underway by September 1, 2015, and that the Commission be notified immediately if at any time the Cooperative is determined by the IRS to no longer be an Exempt 521 Cooperative.

OTHER BUSINESS

Scott Farmers Cooperative

Livestock Feed Facility (#1907)

\$250,000 approved in January 2010 – request for sixth year extension

An extension for a sixth year has been requested for this grant which was approved for \$250,000 in January 2010. Funds were approved for the nonprofit producer cooperative to procure and install a comprehensive feed commodity handling, blending, storage, bagging and delivery equipment system for the purpose of supplying area livestock producers feed demands in a more economically effective manner. In February 2010 an advance of \$70,765.00 was paid based on documentation provided by the grantee from the contractor showing a 25% down payment was required to begin work. The grantee's representatives cite a number of management problems for failure to get the project underway, including the death of the former facility manager and financial difficulties. The advance, which appears to have been used for operating expenses rather than the purpose presented in the advance request, remains mostly undocumented. The grantee stated that whatever documentation they are able to gather for the advance will be provided, but admits they are unable to account for the use of the full amount. A second grant (#2615 for \$148,836) was approved for the project in January 2012 with the condition that the outstanding advance provided for #1907 be fully documented or repaid prior to the release of any funds. There has been no activity on this grant since its approval. Last year the Committee approved a fifth year for this award to allow the grantee's new management to seek approval of additional financing needed for operating capital, however no progress has been achieved since that time. At this time the USDA loan has not been approved and a decision is now expected in February 2015. TICRC funds will be used as collateral for this loan, which is contrary to the standard TICR grant agreement. The last facility cost estimate was \$398,217, which would indicate the approved TICR funds might pay for 100% of the cost. To comply with grant matching fund requirements,

Committee recommends a one-year extension to reimburse no more than 90% of construction costs, contingent on full documentation of the previously-issued advance, and construction financing being secured and the facility under construction no later than September 1, 2015.

Virginia FAIRS

Southside Aquaculture Business Expansion and Market Development (#2260)

\$85,000 approved in January 2011 – request for fifth year extension?

Funds were approved for the nonprofit cooperative foundation affiliated with VA Farm Bureau to continue support of the VA Aquafarmers Network (VAN), a for-profit LLC with members producing farm-raised channel catfish, freshwater shrimp, hybrid striped bass and rainbow trout primarily in Southside counties. The award of \$85,000 was for new equipment and producer cost-share incentives, with ownership title for transportation/handling equipment to be retained by VAFAIRS. Product is sold on-site at farms, at farmers markets, over the internet and directly to restaurants.

Committee recommends extension, with final project expenses to occur no later than September 1, 2015.

Virginia State University

Sustainable and Profitable Development of Berry Industry in Southside VA (#2261)

\$300,000 approved in January 2011 – 5th year extension requested

Funds were approved in January 2011 to establish ten one-acre demonstration sites on private farms in tobacco counties for planting blueberries, raspberries, strawberries and blackberries to educate growers on berry production, harvesting and packaging. Fruit from the demonstration sites has been co-marketed with fruit grown at the Cole Berry Farm in Halifax County to begin developing a “Southside Berry” brand. A balance of \$98,296 remains in the grant, which was active during the 2014 growing season.

Committee recommends extension through the 2015 growing season, with final project expenses to occur no later than September 1, 2015.

Charlotte County

Regional Processing for Aquacultured Products (#2799)

\$438,500 approved in January 2014 – request by Staff to rescind award

This grant was approved in FY 14 Agribusiness for equipment and contractual services to be placed in a processing center that was to be built by Charlotte County in the Heartland Business Park. A related grant was approved in FY14 Southside Economic Development program to construct the 10,000 square foot building to house the aquaculture processing center for the Virginia Aquaculture Network (VAN), a for-profit member-owned business that would use the center. Subsequently during calendar 2014, Charlotte County received approval to repurpose the Southside grant for another project, and the VAN project is now recommended for funding by both the Agribusiness and Southside Committees for a site in neighboring Prince Edward County. As this project is no longer actively considering a Charlotte site, TICR Staff has contacted Charlotte County officials to ask for written confirmation that #2799 can be deobligated. Having not received that confirmation at the time of the Committee meeting, TICR Staff recommended that the previous approval of #2799 be rescinded and those funds returned to the Agribusiness Committee’s available balance.

Committee recommends rescission of grant award #2799 and that the previously-approved amount of \$438,500 be returned to the Agribusiness Committee budget.

Abingdon Feeder Cattle Association, Inc.

Beef Builder Initiative - Phase II (#2795)

\$600,000 approved January 2014 – request to allow release of funds for eligible expenses incurred prior to approval date

This second phase of the regional “Beef-Builder Initiative” was approved in FY14 Agribusiness to serve 200 beef producers in 12 Southwest counties with cost-shared improvements to cattle-handling facilities and herd genetics. The first phase of the project was funded at \$400,000 in FY13. AFCA, a 501C5 nonprofit, has successfully administered regional beef and commodity cost-share programs with \$2.9 million of Commission funds since 2002. In the course of processing the initial reimbursements for eligible project expenses, it was noted by TICR staff that a small handful of expenses (less than \$10,000 in total) were incurred by producers prior to the grant approval date in January 2014. This is typically contrary to TICR Funding Policies. However, Staff notes that this is a multi-year project, and the producers in question were approved for these costs in the project’s first phase, but there were insufficient funds in the phase one grant to reimburse the producers. As the expenses were otherwise consistent with the project’s guidelines and intent, and the costs in question affect a small number of producers (less than a half-dozen) and a small amount of grant funds (less than \$10,000), Staff supports reimbursement of these project expenses as a one-time exception to policy.

Committee recommends approval for reimbursement from grant funds for those previously-approved producers who incurred otherwise eligible project costs prior to the approval date for grant #2795.



R & D COMMITTEE AGENDA

Monday
January 12, 2015 @ 3:30 pm
Crowne Plaza Hotel Downtown
Richmond, VA

Welcome and Call to Order	<i>The Honorable Kathy J. Byron, Chairman</i>
Call of the Roll	<i>Tim Pfohl, Interim Executive Director</i>
Approval of the <u>9/24/14</u> Minutes	<i>(published on website)</i>
Review of New Applications	<i>Tim Pfohl, Interim Executive Director</i>
Other Business/Previous Grants	<i>Tim Pfohl, Interim Executive Director</i>
Public Comments	
Adjournment	

FY15 Southside Economic Development

Committee Recommendations – December 2014

*The Commission received nine new funding requests in October for the available Southside Economic Development balances (FY15 budget plus funds carried forward from previous years). The Committee met December 17th and adopted the following funding recommendations. Project summaries provided by the applicants, staff comments and Committee recommendations are included below for these new requests. **Other Business** regarding older grants seeking time extensions is also included in this report.*

Req #	Locality	Organization Name	Project Title	Allocation Available	Request Amount	Committee recommendation
2975	<i>Brunswick</i>	Town of Brodnax	Brodnax Depot Renovation Project	\$3,281,646	\$129,383	\$121,030
2969	<i>Franklin</i>	Town of Boones Mill	Boones Mill Industrial Park Revitalization Project	\$238,280	\$238,280	\$238,280
2974	<i>Greenville</i>	Greenville County	Potable water storage-Exit 4	\$ 42,865	\$42,865	\$42,865
2968	<i>Mecklenburg</i>	Mecklenburg County	Microsoft Ridge Road Upgrade Project	\$1,152,704	\$1,152,704	\$1,152,704
2970	<i>Pittsylvania</i>	Pittsylvania County	County Career & Technical Center - Industrial Maintenance Technology Program	\$3,868,132	\$721,983	\$721,983
2972	<i>Prince Edward</i>	Town of Farmville	Regional Aquaculture Processing Facility	\$194,464	\$194,000	\$194,000
Total (9 requests/6 recommendations)					\$3,743,419	\$2,470,862

BRUNSWICK

Town of Brodnax

Brodnax Depot Renovation Project (#2975)

\$129,383 requested

Executive summary provided by applicant: The Town of Brodnax is requesting TICR and VDOT MAP-21 funds to purchase & renovate the vacant railroad Depot located in downtown Brodnax alongside the Tobacco Heritage Trail (THT) to serve as a Visitor Center and Trailhead. Funds will also be used to purchase bikes/equipment to facilitate the opening of a bike rental business to be owned, operated and maintained by Brodnax. This effort is expected to result in increased visitor use of the THT and increased visitor spending and tax revenue for the region. A total of 20 jobs will be created to provide services to trail visitors. The abandoned 2,530 square-foot dilapidated railroad Depot located in downtown Brodnax has

been vacant for years and most recently utilized for industrial storage space. Following the development of the THT in Mecklenburg and Brunswick Counties, it became apparent that the Town needed to identify the Depot owner, negotiate acquisition terms, and renovate the facility to serve THT visitors. The initial obstacle was securing ownership; after months of research, legal advisement, and meetings with the the owner, an Option Contract was prepared. Grant funds are now needed for acquisition and renovation improvements to prevent further deterioration of this valuable historic structure. The proposed project will result in the acquisition and renovation of the Depot to serve as a Visitor Center and Trailhead to serve THT visitors. The vacant deteriorating Depot will once again serve as a viable structure in downtown Brodnax that will support the THT equipped with handicap accessible bathrooms, a town-operated bike rental business, and museum to portray old railroad and farm memorabilia reflective of the era. The introduction of a bike rental business to attract visitors will be the first in the 5-county THT region. The renovated Depot will spur downtown activity and encourage utilization of the trail. According to the Economic Impact Study for the Tobacco Heritage Trail prepared by Chmura Economics & Analytics, the trail, for the 5-county area, conservatively could attract 197,000 visits a year. Phase I development of the THT (trail between Lawrenceville and Clarksville) is expected to result in direct visitor spending totaling \$1.1 million. Adding the indirect and induced effect, the trail visitor spending for Phase I could generate \$1.5 million in total economic impacts. A total of 20 jobs will be created in the Phase I region to mostly industries that provide services for visitors such as restaurants, lodging, and retail.

Staff comments: Funds are requested for 30% of estimated costs for acquisition and renovations to the historic railroad depot in the Town of Brodnax on the western edge of Brunswick County. The proposed project would reclaim the vacant depot building at the corner of Railroad and Main Street (within one-tenth of a mile off US Route 58), making improvements to the 1,754 square foot facility to serve as a visitor center and trailhead/restroom facility for users of the Tobacco Heritage Trail. The Depot location is on the NR&D segment in the prioritized Phase 1 development plan for the THT and will provide access to 17 miles of contiguous trail system that is currently available to users. An economic impact assessment included with the application estimates 17 direct jobs will be created from the Phase 1 NR&D trail development as a result of increased visitor spending. The request to the Commission includes \$8,350 for purchase of ten bikes and related equipment for the Town to establish a bike rental business which the applicant explained is intended to provide a source of revenue to assist with operation of the Depot. TICR Staff suggests that this is a commercial activity that is better handled by attracting a private entrepreneur to rent space in the depot to serve trail users, which is more consistent with the overall objectives of the trail system to attract users who spur further private sector economic development. This is the first application the Commission has received from the Town of Brodnax; however, there have been several past awards totaling \$1.29 million (primarily to Roanoke River Rails to Trails) supporting master planning, and engineering and construction funding to match VDOT awards for development of the Tobacco Heritage Tail. This request is consistent with other recent SSED grants to establish trailhead facilities including the Turntable Park & Outdoor Center in Lawrenceville and the Prospect Depot in Prince Edward on the High Bridge Trail. This project includes a detailed construction estimate and is well leveraged (assuming a VDOT award); it initiates redevelopment of an old downtown area currently lacking of commerce activity, and provides a facility for visitors to access existing trail assets.

Committee recommends award of \$121,030 (excluding the bike and related equipment purchases), contingent on approval of funding by VDOT.

FRANKLIN

Town of Boones Mill

Boones Mill Industrial Park Revitalization Project (#2969)

\$238,280 requested

Executive summary provided by applicant: The town has acquired a 62 acre abandoned manufacturing site from North American Housing Corporation. There are multiple dilapidated buildings on the property. The town's goal is to upfit the best manufacturing structure (Building 2 Section A) to accommodate two companies willing to relocate to Boones Mill. A preliminary Architectural Feasibility Report prepared by Hurt & Profit (p 19 attached) estimate the cost of upgrading the 54,496 SF structure to be \$8 per square foot or \$435,968. The Town proposes to undertake this improvement with assistance from this program in the amount of \$238,000 (55% of the total project cost). This project will begin the process of reversing the economic damage created by the closing of North American Homes and the loss of 160 manufacturing jobs. This effort is the beginning of a significant revitalization project for the 62 acre Industrial Park. The town has obtained letters of commitment from two companies to locate in the Boones Mill Industrial Park. Private investment of the companies will be \$910,000, 24 jobs will be created, with wages ranging from \$20 to \$34/hour. Following the Master Plan for the Boones Mill Industrial Park funded by the Tobacco Commission, the town will pursue additional funding options. A 0% interest loan has been committed from DEQ to replace a critical sewage pump station at the industrial park totaling \$491,000 (documents attached). The improvement to Building 2, Section A are identified in the Preliminary Architectural Feasibility Report. Page 19 of the Architectural Feasibility Report estimates to upfit of Building 2, Section A to cost \$435,968. This project will enable 2 manufacturing companies to begin operations in Boones Mill. This will open the door for future investment. A history of success is being started at the industrial park. Tobacco Commission projects are lead catalyst for the advances. The project follows the Master Plan for the Boones Mill Industrial Park funded by the Commission and this project to upfit building 2, Section A are significant. The governing body established a goal to complete a \$5 million community revitalization at the Industrial Park. The Town has a conditional CDBG Planning Grant for a neighborhood adjoining the industrial park. DEQ is financing \$491,000 upgrade to the Park's sewer system. \$212,000 Map 21 grant contributes to safe access at this Park.

Staff comments: The available allocation in Franklin County is requested by the Town for renovations to Building 2 at the Boones Mill Industrial Park in order to accommodate two active prospects. The Commission previously awarded a \$100,000 grant to the Town of Boones Mill in January 2012 which supported costs for master planning and demolition and structural renovations at this same industrial park property. The project would result in 40,000 square feet of space to be leased by the two companies who are expected to create a combined 24 new jobs and \$910,000 private investment. Additional space would remain available in the building on the bottom floor and second floor to accommodate other prospective light manufacturing companies in the future. The proposed project costs of \$435,968 is based on estimates to update the building which were provided in a Preliminary Architectural Feasibility Report produced by Hurt & Proffitt several years ago. The construction quotes have recently been updated and show that project costs have risen to approximately \$600,000. The Town indicated plans to restructure and refinance its existing loan for this property (present outstanding principal owed is \$164,460) to provide the additional matching funds for the renovations. The application also identifies an approved \$491,000 loan from DEQ for a new sewer pump station to serve the industrial park. Franklin County has provided a letter of support for the project.

Committee recommends award of \$238,280.

GREENSVILLE

Greensville County

Potable water storage - Exit 4 (#2974)

\$42,865 requested

Executive summary provided by applicant: The Greensville County Water and Sewer Authority provides potable water to commercial developments at Interstate 95 exit 4 through a well system. As more developers locate at the interchange the system needs certain appurtenances to continue to provide a reliable source of water. A 10,000 gallon storage tank would provide reliable source for potable water during peak flow condition and prevent well pump failure alarms, which require immediate attention by the maintenance staff at all hours. Previous Tobacco Grants have been used to develop and connect additional wells to the water distribution system at I-95 interchange 4, increasing the daily water supply for commercial developments. While the daily water use is not at a level to warrant the costly construction of a water line from the treatment plant in the northern portion of the County, reliable water delivery is a priority for this interchange. The GCWSA needs to be able to provide adequate water supply during peak flow conditions for existing and future development. The additional wells provided a steady amount of water for commercial use, however in order to provide reliable water supply during peak flow conditions the Authority needs to install a 10,000 gallon storage tank for finished water supply. The tank will ensure supply during the high use periods of the day as well as eliminate the well pump failure alarms that often require maintenance staff attention at all hours of the day and evening. I-95 exit 4 is the first exit in Virginia. Due to several tax differences between North Carolina and Virginia this exit is becoming more and more developed. The County has been approached by a restaurant franchise expressing interest in building at the interchange. The wells will provide the water necessary for the development however with no storage we cannot guarantee the water supply will be available during peak hours. The installation of a water storage tank will lessen the risk for the developer and provide assurance to the Authority that their customers are provided for at all hours of operation.

Staff comments: The full amount of Greensville County's allocation of \$42,865 is requested for continuing build-out of the public water system at Interstate 95's Exit 4, a commercial development corridor just inside the Virginia state line. Previous grants from the Southside committee have provided a total of \$174,909 to support water and wastewater systems at this location. This project will provide for a 10,000 gallon storage tank to accommodate a new business announcement. The County has made reliable water delivery at this interchange a priority for use of the Southside economic development allocation over the last several years, and resulting development includes two sizable gas/convenience/truckstop developments. A restaurant franchise has also expressed interest in building at this interchange. The water storage system supported by this request is estimated to provide for five additional commercial businesses at this interchange. While this water system development clearly supports retail commercial businesses, those businesses rely predominantly on sales to out-of-state travelers, which "imports" those dollars to the tobacco region economy and tax bases.

Committee recommends award of \$42,865.

MECKLENBURG

Mecklenburg County

Microsoft Ridge Road Upgrade Project (#2968)

~~\$1,064,957 requested~~ \$1,152,704 revised request

Executive summary provided by applicant: Microsoft located in the Boydton Plank Road Industrial Park in August 2010 and has since undergone several expansions. Buildings #1 through #5 have been constructed with a total of 90 jobs created to date. The construction of Building #6 has been announced and will create an additional 90 jobs with a private investment of \$350,000,000. Discussion between the County and Microsoft resulted in the critical need to upgrade Ridge Road which is currently providing an alternative entrance into the Boydton Plank Road Industrial Park; this entrance is more accessible to the location and planned construction activities associated with Building #6. Ridge Road, a 2-mile gravel road, is utilized multiple times daily by Microsoft personnel, construction crews, and business associates. As a result, the road has developed annoying pot holes and traveling conditions are worsening. Discussion with Microsoft Executives resulted in the company's request that the road be repaired and paved in an effort to facilitate the daily repeated use of the road. Future company expansions over the next five years are contingent upon the upgrade of Ridge Road in providing an alternative entrance into the Industrial Park and convenient accessibility to the future location of Building #6. The upgrade of Ridge Road will greatly improve road conditions for Microsoft construction crews, company personnel, and business associates. Microsoft is in expansion mode and construction plans for Building #6 are underway. The County's commitment to repair and upgrade Ridge Road was a key factor in Microsoft's decision to proceed with expansion plans. The road is heavily traveled which has resulted in its current state of disrepair. The upgrade of Ridge Road will facilitate strategic proximity to Building #6 and will provide an alternative entrance route into the Boydton Plank Road Industrial Park. The continued expansion of Microsoft through the construction of Building #6 will create an additional 90 jobs with a private investment of \$350,000,000; this expansion not only benefits the citizens of Mecklenburg County but also citizens located in the nearby counties of Halifax, Charlotte, Lunenburg, and Brunswick. New development also results in the creation of well-paid construction jobs, extraordinary taxable retail sales during construction, and significant ongoing property tax contributions that will ultimately lower the tax burden for other taxpayers.

Staff comments: The entire amount available in Mecklenburg County's allocation is requested to support road construction necessary to accommodate construction traffic to the Microsoft facilities. The increased request amount represents additional funds that became available after the application deadline following close-out of an older grant award to the County. The applicant identified that Commission funds will be matched by \$2.6 million through the VDOT Revenue Sharing program for estimated costs for widening and paving of 2-miles of Ridge Road to serve as an alternate entrance to the Boydton Plank Road Industrial Park that is occupied by Microsoft's data center. Investments announced to date by Microsoft exceed 1.3 billion dollars, and as those expansion phases of the Microsoft facility in continue to move forward, construction traffic is already being routed off of Route 58 onto Ridge Road. The road improvements are necessary to accommodate increased construction traffic for future phases, which Microsoft does not allow for security reasons at the data center's main entrance off Route 58.

Committee recommends award of \$1,152,704.

PITTSYLVANIA

Pittsylvania County

County Career & Technical Center - Industrial Maintenance Technology Program (#2970)

\$721,983 requested

Executive summary provided by applicant: This proposed project will help create a pipeline of skilled workers that are required for a successful advanced manufacturing industry by beginning a college level dual enrollment program at the Pittsylvania County Career & Technical Center in Industrial Maintenance Technology, that can be completed at Danville Community College. The grant funds will be used to purchase Industrial Maintenance training lab systems, educational training guides and other tools and equipment. The overall project also includes facility upgrades necessary to accommodate the new program at the existing Technical Center and Professional Development for educational staff. The project includes 22% in matching funds. A recent study completed for the Tobacco Commission by the Boston Consulting Group, entitled *Developing an Advanced Manufacturing Workforce for Virginia's Tobacco Region*, points out that there is a significant skills gap in our area in the category of medium-skilled workers. A large portion of this labor gap is in the area of Industrial Maintenance. Our area of the State has historically depended on lower skilled workers in traditional low-tech manufacturing. In order to prosper, our region needs to be able to attract and accommodate Advanced Manufacturing, and we need a skilled Industrial Maintenance workforce for new and expanding industries. The Career and Technical School level is the start of the skilled workforce pipeline that is necessary to address the skills gap and provide the workforce that is necessary for a successful advanced manufacturing industry. Pittsylvania County has worked with Danville Community College to develop a dual enrollment program that gives high school students the option to (1) be workforce ready for entry-level jobs at graduation, or (2) be able to earn a two-year degree with only one additional year of coursework at DCC. Both options include industry-approved coursework with hands-on training labs and provide industry credentials. Our business community has reported difficulty in finding skilled workers in the field of Industrial Maintenance. Regional studies have confirmed the need for skilled workers to help transition the economy within Southern Virginia. This proposed grant will help provide the specialized training in Industrial Maintenance that can not only boost local employment but can also create a pipeline to college and industry credentials that will create a pool of ready workers, helping attract new high-tech and advanced manufacturing industries. This program at the Career & Technical Center and DCC will be a key part of our industrial recruitment efforts.

Staff comments: Funds are requested to equip Industrial Maintenance Technology training areas in two tracks (mechanic and electrician) for the Pittsylvania County School System in order for high school students to begin taking dual enrollment courses through Danville Community College. Students who complete the program will have one year of credits towards the two-year *Associate of Applied Science Degree in Integrated Systems Technology*. The Commission provided a \$787,690 grant in May 2013 that supported equipping the school system's Career & Technical Center for a Precision Machine Technology dual-enrollment program offering. This previous grant and the pending request both are focused on putting students on a pathway to a college credential and employment in careers that are in current demand from existing employers and that are identified in the Boston Consulting report as an area of shortage that must be addressed in order to attract advanced manufacturing companies to the region. It is noted that this project would be eligible for funding consideration under the Commission's competitive Education program where advanced manufacturing is a stated priority; however, under the Education program the project would be required to provide at least 50% Match, whereas the Southside program only requires a minimum of 10% Match. This project provides ~ 17% Matching funds from the County and the school system for facility upgrades, computes, furnishings and supplies and from DCC for donated equipment and instructor

training. (The valuation of equipment from DCC was reduced during the review period for the proposal.) The request includes \$7,300 for the purchase of 300 “student reference guides” which are classroom references specific to the equipment items. Items listed in the budget under miscellaneous tools & supplies were confirmed to be longer lived assets and not annual consumables. The Commission’s guidelines for the Southside program’s eligible projects include support of programs and facilities to provide workforce training. Given the County’s priority for use of the Southside allocation for development of this education program and the alignment with the Commission’s focus on attracting advanced manufacturing companies to the region, staff is supportive of the project with the proposed level of Match.

Committee recommends award of \$721,983.

PRINCE EDWARD COUNTY

Town of Farmville

Regional Aquaculture Processing Facility (#2972)

\$194,000 requested

Executive summary provided by applicant: Initially, the primary objective of this project is to establish a processing facility for aquaculture products. The Town of Farmville will own the USDA approved mixed-use manufacturing complex and develop a lease to purchase agreement with the Virginia Aquaculture Network to buy the building in 5 years. Approximately 4,000 SF will initially be dedicated for processing and further processing of fish and shellfish serving Southside and Southwest Virginia producers. The unfinished 6,000 SF will be available for future growth (ie: fruits vegetables and other agriculture related value-added products processing). Aquaculture is the fastest growing sector of the agricultural economy in the United States who imports over 80% of the seafood it consumes. Imported products arrive with little oversight for food safety, ecological impacts and social issues. This large seafood trade deficit is in stark contrast to the other food proteins we grow in the United States, chiefly poultry, beef and pork. Producers throughout Virginia are in need of a facility where they can bring their aquaculture and other agriculture-related products to be processed in a USDA-approved facility for local, regional, state and global export sales. The facility will be centrally located to the existing 20+ producers and will reduce their travel time and associated expenses to a USDA-approved processing facility. It will also offer quick freezing processing that offers two significant advantages over standard freezing methods: freezing products in seconds instead of over 10 to 60 minute time periods preserves the texture of the product making it similar to a fresh product in terms of overall quality, and IQF freezes each piece of fillet or shrimp tail individually so they do not clump together. These advanced methods will enable further marketing opportunities for the producers. The benefits are increased opportunities for regional producers, local job creation, job retention, provide a significant economic impact to the region and enable opportunities for other value-added products to expand to this location and utilized as a mixed-use manufacturing complex. Another advantage is partnering with Virginia Tech's research & development department enabling training opportunities for "potential" young producers. The educational component will assist marketing ventures for local producers in hopes of contributing to Virginia's export market.

Staff comments: Essentially the full amount of Prince Edward County’s allocation is requested to support a portion of the costs for construction of a new building to serve as an aquaculture processing facility. In addition to funding toward construction of this building, the Commission’s Agribusiness program is recommending approval of a request by the Town for funding half of the costs to equip the aquaculture processing facility. The project is intended to benefit a private cooperative farmer group, the Virginia Aqua-

Network (VAN) and would be operated by another business entity identified by the name Heartland Food Center. VAN has been supported over the past five years by two Agribusiness grants totaling \$285,000, which has provided funding for operational support and marketing, equipment, and \$28k of cost-share to eight members. This application would benefit the same private partners that were approved for TIGR funding to the Charlotte County IDA in January 2014, for development of this proposed food processing facility at Heartland Industrial Park, but the project is no longer considering a site in Charlotte after the County and VAN could not reach agreement on building lease terms. This proposal originally indicated the intention to construct a 10,000 square foot facility, including 6,000 unfinished square feet that would be built to provide available capacity for future vegetable production. However, the Town has provided a revised contractor quote to construct a 4,750 square foot facility for an estimated \$500,000 (1,750 sq. ft. of office area and 3,000 sq. ft. processing area) that would accommodate VAN's immediate plans. The source(s) of the non-Commission funding for the remaining \$306,000 has not been secured (the proposal indicates that an application may be submitted to AFID, however, even with a maximum AFID facilities grant of \$250,000 this still leaves costs for which the funding source is not identified). The proposed site for construction of this building is identified as a 5.3 acre parcel off Industrial Park Road. Staff asked the Town to provide an estimate for site development costs from a third-party engineering firm, but Town staff indicated they plan to handle this as an estimated \$43,500 in-kind contribution for site preparation (including tree removal), water line extension, sewer extension, and power. A plat for the 5.3 acre parcel shows the entire parcel as covered with wetlands and being the site of a former sewer lagoon. Staff has concerns that the site development estimate from the Town does not address the issue of their being wetlands on the property, nor is it clear whether costs are budgeted for meeting other requirements including stormwater management and erosion and sediment control. Staff also has concerns as to whether the (wetland) soils would be suitable for development which is a development issue that is typically verified by the engineering firm. The proposal identifies plans for entering into a five year lease-to-purchase agreement with VAN, which staff points out would require approval from the Commission per the Sale or Encumbrance; Security Interest clause of our standard grant agreement.

Committee recommends award of \$194,000, contingent on the town engaging an engineering firm to address site development requirements including wetlands delineation, geotechnical assessment of soil suitability, stormwater management, etc.; and contingent on the Town securing financing no later than September 1, 2015 for construction of the building.

OTHER BUSINESS

Brunswick County

Byways Visitor Center (#2192)

Request for Extension

This grant for \$458,375 was awarded in October 2010 to support costs for building renovations, site improvements, exhibit design, and signage for a new full service visitor center on Highway 26. The project is matched by a \$638,479 National Scenic Byways Project grant from the Virginia Department of Transportation as well as \$100,000 contributed by Brunswick County. The County is requesting an extension due to delays in staff changes at VDOT, review requirements and additional tests and studies that were required. County personnel first notified Commission staff of the need for an extension during a site visit in March 2014; and have since provided a detailed project schedule to support the request. Plans for the facility are 99% complete and will be submitted to VDOT for approval in January 2015. The bid opportunity is expected to be advertised in May 2015, with construction scheduled to begin in August 2015

and completed at by July 2016. A total of \$107,022.46 in TICR grant funds have been disbursed for design costs with a balance of \$351,352.54 remaining in the project account.

Committee recommends approval of an extension through June 30, 2016.

Pittsylvania County

Berry Hill Reg. Mega Park – Water Infrastructure (#2198)

Request for Extension

Pittsylvania County requests a one year extension of grant #2198, which was approved for \$1,192,500 in October 2010, to complete engineering of the water system to serve the Berry Hill Industrial Park. This involves a section of water system upgrades that has not been engineered as all infrastructure has been delayed due to at least two factors. First, this final section of water engineering was not completed because a significant prospective industry was considering the site for several months and had proposed on-site water treatment, negating the need for the as-yet-undesigned connection to the City of Eden's supply. This industry ultimately did not locate on the site, so the Eden connection needs to be designed to complete the original project. Secondly, the County's engineering firm for the water system was redeployed to focus on the additional engineering and submittals required by the Army Corps of Engineers permit. This heavily revised permit has been submitted and the engineers can now focus on completing the water engineering project. The County is awaiting confirmation from its engineering contractor that this work can be completed in one year. The system engineering is critical to having fully designed utility service for this TICR-funded megapark.

Committee recommends a one year extension to October 31, 2015.

Halifax County IDA

Riverstone Site Ready Development (#1724)

Request for Extension

This grant for \$2,000,000 was awarded funding in October 2008 for pad grading, sewer and electrical utilities. The majority of this work has been completed and the \$175,084.66 remaining in the project account is to support costs under a \$400,000 not-to-exceed contract with Dominion for engineering and permitting of a new electrical transmission line. In May 2012, the Southside committee approved an extension through October 2014, which was requested due to delays with the Corps of Engineers as the proposed location of the line ran through federally owned lands surrounding Kerr Dam and Reservoir. In July 2014, the County provided staff with a letter requesting a 7th year extension through October 31, 2015 to allow completion of this contract. At that time, it was reported that the IDA and Dominion were required by the Corps to abandon the original planned routes from the east, and from then they began work to identify viable routes from the west. The best route option (Route N) from the west has been identified. Remaining grant funds are intended to support costs to survey the route's path, and make final adjustments to the alignment and to generate a construction design. However, survey work is currently on hold until Dominion has received permission from the landowners to access the land, which the IDA noted will be easier to accomplish when they have a prospect that needs redundant power. The IDA is currently in early stages of negotiations with such a prospect and is expected to know more by end of February 2015.

Committee recommends approval of an extension through October 31, 2015.



SOUTHWEST ECONOMIC DEVELOPMENT
COMMITTEE AGENDA

Monday
January 12, 2015 @ 2:00 pm
Crowne Plaza Hotel Downtown
Richmond, VA

Welcome and Call to Order	<i>The Honorable David Redwine, Chairman</i>
Call of the Roll	<i>Tim Pfohl, Interim Executive Director</i>
Approval of the <u>9/12/14</u> Minutes	<i>(published on website)</i>
Collaborative Health Science Center of Southwest Virginia (aka: King School of Medicine)	<i>Tim Pfohl, Interim Executive Director</i>
Lee County IDA - Elite Apparel LLC	<i>Ned Stephenson, Deputy Director</i>
Public Comments	
Adjournment	

“King School of Medicine and Health Sciences Center” (#1958)

Approved October 2009

The Southwest Committee is scheduled to meet at 2:00 pm on January 12, 2015 in Richmond to receive a project status report from the project leadership. A copy of the November 2014 report is provided in Commission meeting packet.

Staff summary of project as of January 2015: In October 2009, Grant 1958 was awarded to King College to develop the “King School of Medicine and Health Sciences Center.” This center proposed to address “a critical physician shortage” in Southwest Virginia. In collaboration with several strategic private partners including Wellmont Health System and Holston Medical Group, King School of Medicine and Health Sciences Center planned to offer programs including “MD degrees, Physicians Assistant degrees, Nurse Practitioner degrees, and more” with initial medical school enrollment projections ranging from 60-75 students per class, growing to 150 by 2020 (no detail was provided on the other degree programs such as PA and NP). The accompanying economic impact study stated that “within 20 years the new medical school will produce 100 new physicians for the region annually.” The building itself was projected to be a 275,000 sq. foot facility complete with lab and classroom space and located “most likely” in Bristol/Washington County. Economic development outcomes for the Health Sciences Center indicated 182 direct new jobs at the Center, along with various estimates of direct and indirect impacts across the region. The application’s budget stated that funds would be used “for construction of a medical school and complementary research facilities.” The Commission awarded \$25 million dollars for 50% of costs to construct the facility, conditioned on a dollar-for-dollar match basis from other funding sources.

A detailed timeline of the project milestones since approval is attached. Most notably, in May 2012, King College notified the Commission of its intent to separate from the project, and the grant was assigned to an independent not-for-profit corporation. At that time the Commission agreed to a cap of \$1 million from the approved grant to be available for pre-construction and related start-up project costs. To date, \$973,288.93 of Commission funds have been released in legal fees, salary, and other start-up expenses, and no further expenses after September 2013 have been reimbursed. In May 2014, \$5 million of the original \$25 million award was rescinded by the Commission. Numerous reports have been given to the Commission on a semi-annual basis with the most recent one submitted on November 15, 2014 as required by the Commission (attached). That 147-page report outlines a distinctly new direction for the project. A brief summary of the November report follows.

Now named “The Alliance for Rural Health” (The Alliance), the project’s leaders and partners are now planning to create a “comprehensive academic health center” offering a variety of programs that build upon the region’s existing clinical health systems and education programs, and extends those to meet the broader needs of the Southwest Tobacco Region. Under the new model, four primary program partners include: Emory & Henry College, East Tennessee State University’s Quillen College of Medicine, Edward Via College of Osteopathic Medicine, and Mountain States Health Alliance. With the cooperation of these anchor partners and local governments, multiple phases and programs are described under the new proposal. The main programs for early implementation in Phase One are organized into:

- Physician Education
- Allied Health Professions Programs

- Ancillary Service and Engagement Programs, and
- Business Development and Workforce Development Programs.

The approach of the Collaborative Center includes educating and training regional students/physicians who are in their 3rd and 4th year clinical training, residency, post residency, or continuing education phase of their career. The “distributed” program locations are listed as Emory & Henry campuses in Marion and Grundy and Johnson Memorial Hospital in Abingdon. Additional eventual phases and programs include nursing, dentistry, pharmacy, speech and language pathology, and nurse anesthesia. Tobacco funds are requested for construction of a headquarters facility in Abingdon. The remaining \$19 million on Grant 1958 will be used to construct and equip the facility, and for developmental & legal fees, and contingencies. Matching funds are shown to be \$19 million from Town of Abingdon (donated land @ \$7.5M), Smyth County Community Foundation (\$5M for E&H renovation of former Marion hospital), New Market Tax Credits (\$6M) and ARC (\$500k for E&H Marion project). *Staff notes that this would result in TICR funding 81% of the Abingdon construction, with matching funds from donated land (\$7.5M) and costs in Marion (\$5.5M), which is contrary to the current grant agreement that requires grant funds to be used for “one-half of documented construction costs.”* Outcomes are listed as 25 third year medical students in 2015 to be grown to 40 by 2019, and 10 fourth year medical students in 2015 to be grown to 25 by 2014. Theoretically, 65 third and fourth year undergraduate medical students will participate in rotations through Alliance for Rural Health by 2019. Residency numbers are projected to increase from six to eight students in Family Medicine and from zero to twelve students in Internal Medicine from 2016-2020 with the first classes graduating in 2018 and 2019 respectively. Fellowships are projected to increase from one to six in family medicine and zero to six in internal medicine during the same time frame. Cumulative figures for graduates in all four programs (residencies and fellowships) total 37 graduates and 22 faculty and staff by 2020. Under Strategy Two (Allied Health Professions Programs) cohorts of 40 students are planned to enroll in Doctor of Physical Therapy, Master’s of Occupational Therapy, Master’s of Physician’s Assistant, and Doctor of Optometry programs by 2016. Numerous others will be served via the additional “strategies” planned for the Collaborative Center in the clinic, specialized clinical services, community outreach, business development, and workforce development programs. Management and staffing of the Academic Health Center headquarters is listed as four people by FY2016 to include the Executive Director, Administrative Staff, Building Manager, and Director of Development.

Staff comments: TICR staff is of the opinion the Alliance for Rural Health project concept - while a commendable partnership that could offer measurable healthcare benefits to the Southwest region - constitutes a material change in scope and budget, which is contrary to the Grant Agreement, which states in Sec. 4 that “No material changes shall be made to the scope of the Project or the Project Budget.” Staff is further of the opinion that the proposed capital budget - with the Commission paying for 80+% of Abingdon construction costs - is contrary to Grant Condition #1 in the Grant Agreement that requires that funds shall be used for “one-half of documented construction costs.” Staff therefore suggests two possible courses of action: 1) that the grant be rescinded and the Alliance be invited to re-apply to the Commission’s Special Projects program, within which projects are eligible that increase access to healthcare for tobacco region residents, or 2) if it is the consensus of the Commission to continue the project, that a new grant agreement with the revised scope, budget and conditions that are acceptable to the Commission be executed with the grantee.

Timeline for Grant 1958 – “King School of Medicine and Health Sciences”

2009-10

September 23, 2009 – King College submits funding request to TICR for \$25 million to establish the “King School of Medicine and Health Sciences” in Bristol/Washington County.” Other aspects include the following as stated in the application:

- “renderings for a 275,000 square foot facility have been developed”
- “programming to include MD degrees, Physician Assistant degrees, Nurse Practitioner degrees & more.”
- “day-to-day operation of the school will create almost 500 jobs”
- “School of Medicine will have an estimated \$60 million to \$100 million annual economic impact on the community and surrounding area”
- “a one-time non-recurring grant of \$25 million to fund at least half the cost of construction of the school’s classroom, laboratory, and administrative campus”

October 21st 2009 - Executive Committee met, heard a presentation by King College, and voted to recommend transfer of \$25 million to SW Economic Development Committee contingent on an endowment invasion approval by the full commission

October 29th 2009 - Full Commission approves award to King College/King School of Medicine and Health Sciences for \$25 million of restricted funds to aid in construction costs of medical school to be matched 50:50

August 2010/11 - Town of Abingdon and Washington County confirm support of King College/King School of Medicine and Clinical Health Sciences; each resolves to commit \$7.5 million in cash and land contributions to serve as match for the project. Abingdon offers site in Stone Mill Technology Park while King contracts with architects to study reuse of former Johnston Memorial Hospital

October 2010 – TICR Executive Director approves one year extension through 10/29/11 to meet condition of securing commitments for required \$25M matching funds

2011

January 2011 – King College is notified by VDHCD it has been recommended for a \$500,000 ARC grant for construction

August 15th 2011 – King College President provides written status report marked “confidential” to TICR Executive Director

September 15th 2011 - Dr. Jordan (King College President) addressed the Committee for consideration of the following to serve as satisfactory match for Grant 1958: combined \$15 million from Washington County and Town of Abingdon as well as a \$12.5 million long term lease with the Southwest Higher Education Center; Committee approves

September 21st 2011 - Groundbreaking Ceremony for King College/King School of Medicine and Clinical Health Sciences at Stone Mill Technology Park in Abingdon (adjacent to SWVA Higher Education Center)

October 31st 2011 - King School of Medicine, Inc. was formed as a Virginia non-stock corporation (SCC ID 07433758) as a wholly owned subsidiary of King College, Inc., a Tennessee non-stock, non-profit corporation, with King College, Inc.

2012

March 19th 2012 – King College submits progress report to TICR, stating (among other items) it has been granted applicant status by LCME and has contracted with architectural firm for conceptual plans

May 14th 2012 - King College, Inc. took action to establish King School of Medicine, Inc. as an entity separate and apart from King College, and subsequently, on that date, King School of Medicine, Inc. amended its Articles of Incorporation and Bylaws accordingly. As part of its Amended Bylaws, a 9-member Board of Trustees was established.

May 23/24, 2012 -Tariq Zaidi appointed as interim CEO and President of King School of Medicine; Commission is notified by the SW Higher Education Center that its proposed Long-Term Lease Agreement with KSOM has been dissolved, which puts KSOM in default of their agreement to match Commission dollars on a 50:50 basis; Committee recommends and Commission approves reimbursement of start-up expenses “outside of/consistent with construction” and sets a cap on these fees at \$1 million (matched) with a report due by 12-31-12

June 7th 2012 - The King School of Medicine, Inc. elected its initial officers

September 26/27, 2012 - King College reports it intends to end ties with King School of Medicine as of December 31st, 2012; Town of Abingdon agrees to serve as the fiscal agent for King School of Medicine, Inc. Commission approves assignment of grant to KSOM with Abingdon as fiscal agent, contingent on IRS 501C3 designation by 12/31/12.

2013

January 8th 2013 – report to SWED Committee: Neither full commitments for matching funds nor non-profit status has been secured by KSOM; The path has “changed” for KSOM and now the proposal is to build a four-year medical branch school for allopathic medicine in Abingdon under a partnership of another medical school (potentially ETSU) eliminating the need for process for standalone accreditation. Committee approves extension with report to be submitted by 5/15/13; describing partnerships and business plan. No additional action taken by Commission.

End of January 2013 - MOU signed with ETSU to partner with them in discussions for the development of a medical school and using their LCME accreditation

March 2013 - IRS granted the King School of Medicine’s non-profit status, effective October 31, 2011

May 2013 - King School of Medicine established offices in the Virginia Highlands Small Business Incubator, 851 French Moore, Jr. Boulevard, Suite 173, Abingdon

May 22/23, 2013 - Report to SWED Committee describes signed MOU’s with Emory & Henry College and Virginia Highlands Community College; committed grants from Town of Abingdon and Washington County, and \$250k General Assembly appropriation via DHCD for preliminary architectural, but no cash in-hand; Committee approves motion to extend grant under \$1 million cap and hear additional report at September meeting regarding private and other matching monies raised. No additional action taken by Commission.

September 26th 2013 - SWED Committee recommends and Commission approves extension of the project until January 2014 to coincide with extensions granted by both Washington County and Town of

Abingdon and to allow completion of prelim architectural report. No expenses incurred after the meeting date (9/26/13) will be eligible for reimbursement, and report is required by 12/15/13.

December 31, 2013 – final disbursement is processed to SVSM, bringing total disbursements to \$973,289 for personnel, consulting, travel and architectural.

2014

January 6/7, 2014 - KSOM presents to SWED Committee; is now doing business as Southwest Virginia School of Medicine (SVSM); partners committed to this project are: Emory & Henry College, University of Virginia, Town of Marion, Smyth County, Buchanan County, and now to a somewhat lesser degree East Tennessee State University; Motion in SWED Committee to rescind grant fails for lack of a second. Motion was made and carried to extend the life of Grant 1958 until May 31, 2014 with report due by May 1st to include business plan and financials. Commission approves Committee recommendation.

January 30th 2014 - King School of Medicine filed, and was granted, the authority to conduct business under the name The Southwest Virginia School of Medicine

January 2014 - Washington County withdraws support from the project and rescinds commitment of \$7.5 million cash funding

May 21st 2014 - The Southwest VA School of Medicine has confirmed partnerships with Emory & Henry College and UVA to propose the education of third and fourth year students at the un-built Abingdon, VA location and the former Marion hospital (owned by E&H); this will be a clinical rotation program; SVSM asks for confirmation that match has now been met with help from E&H and for an extension to be granted to “working group” to present the new plan and path for SVSM; motion made by SWED Committee to rescind Grant 1958; motion carried by 6-3 vote.

May 22nd 2014 – SWED recommendation to rescind grant is reported to full Commission. Motion to accept Committee recommendation is seconded. Amended motion carries on a 14-13 vote to rescind \$5 million from Grant #1958 and to freeze remaining \$19 million for six months; a progress report is due no later than November 15th, 2014

November 15th 2014 - Required report is provided to staff; Southwest School of Medicine is now repositioned as “The Alliance for Rural Health” which initially includes Emory & Henry, ETSU, Via College of Osteopathic Medicine and Mountain States Health Alliance. The Alliance for Rural Health would be based at a “Collaborative Health Science Center of SWVA” in Abingdon. Construction of this center in Stone Mill Technology Park remains the focus of requested TICR grant funds. The 118-page report states “it became clear that starting a medical school was not the best way to achieve increase of physicians.” The new plan outlines a multi-faceted approach to education of health professionals, clinical care and workforce/business development. The SVSM nonprofit board would be reconstituted with the new partners, and the buildings plans for Abingdon would be redesigned to accommodate the planned programs. The plan will be discussed by SVSM/Alliance leaders at the January 2015 SWED Committee and Commission meetings.



November 14, 2014

David S. Redwine, DVM
Chairman, Southwest Economic Committee
The Virginia Tobacco Indemnification and Community Revitalization Commission
Richmond, Virginia 23219

Dear Dr. Redwine:

Transformative efforts pose a great challenge, especially when they are crafted to respond to complex and longstanding problems. In our region, many have worked hard to improve community health. Yet, no challenge is more in need of being met with bolder solutions than that of breaking the destructive link between the poor health of our people and the poor performance of our regional economy.

Many interrelated factors are at play. Our region's people are unhealthy and dying prematurely, with our jurisdictions ranking among the lowest in the Commonwealth on *Health Factors* and *Health Outcomes*. Our region suffers a current and projected shortage of doctors and other health care providers. Poor health precludes residents from pursuing education and training opportunities. It weakens families. It stifles entrepreneurship. And, when there *are* employment opportunities, an unacceptably high percentage of our residents cannot meet minimal qualifications for employment due to addictions. The problems are interrelated—and we believe that improving health—coupled with efforts to support job skills development, job entry, and business development—is the way to break the vicious cycle. In the 21st century, prosperity is defined as a combination of wealth and well-being. In Southwest Virginia, we must improve well-being, to improve wealth.

In the past few years, there have been attempts to address various aspects of this situation, including Grant 1958 which you and your fellow commissioners approved five years ago. The intention was to create an independent medical and health sciences center to educate, train and retain physicians in the region, increase the number of allied health professionals in the region, and create real immediate economic impact. Yet, much of the initial focus of that effort centered solely on the creation of an independent medical school to educate and retain doctors. Change does not always come easily.

As a result of hard work and much discussion, we have come to realize that what we need is close to what was envisioned for Grant 1958. It also echoes solutions that were outlined in the 2009 *Blueprint* document of the Southwest Virginia Health Authority and strategies found in the 2013 *Virginia Rural Health Plan*. We must integrate and leverage existing assets and create some new ones—characterized now as an innovative (distributed but integrated) or virtual *academic health center*. To achieve this innovative model will require:

- (1) **A High-Functioning Governance Entity.** Effective, collaborative management of a coherent *whole*—including fundraising, program development, and coordination of resources and services, via a proper governance entity. The *Alliance for Rural Health* will be reorganized, with governance participation by program, funding, and civic leadership partners, to serve these functions.
- (2) **A Central Headquarters Facility.** A “bricks-and-mortar” home base that is emblematic of the initiative and that serves pragmatically as the place in which collaborative programs and partners come together. This is the *Abingdon Headquarters Campus* facility for which we seek Tobacco Commission funding.

The virtual, distributed *Collaborative Health Science Center of Southwest Virginia* will (1) educate physicians; (2) educate other health professionals; (3) perform relevant research on population health issues in our region; (4) expand existing and deploy novel clinical care approaches—especially those aimed at special health risks of our population; and (5) connect with resources and providers of business development and workforce development programs and services.



The Alliance For Rural Health

With community colleges and other partners, we also will join these core components with: (5) business development and entrepreneurship (health-related / other businesses) and (6) workforce development / jobs training / readiness efforts.

Ultimately, a full range of programs will be deployed. Edward Via College of Osteopathic Medicine (VCOM) already is active in medical education in our Core Region. VCOM is planning to expand its role, establishing residency programs at Johnston Memorial Hospital (JMH). In addition, East Tennessee State University is looking to expand its role and affiliation with JMH, which could provide further training and residency opportunities at JMH. Thus, in Phase 1, we will begin to build our sustainable continuum of physician education, including undergraduate clinical training; badly needed graduate medical education (residencies and fellowships); and continuing medical education programs. Additional academic partners will be added over time, as we examine more closely unmet needs not only in Medicine, but in fields such as Nursing, other Allied Health disciplines, Pharmacy, and Dentistry. In Phase 1, we will focus primarily on physician education; the first new graduate level Allied Health Programs at Emory & Henry's new Marion Campus and Grundy Campus; and the business / workforce development components. Phase 1 also includes organization development of the Alliance entity and the new facility in Abingdon.

Beginning with short-term impact in construction jobs and continuing indefinitely with enhancing job and business opportunities—with healthy people ready to seize these opportunities—we intend to change the game. And we also intend to rigorously track key outcome metrics—both health and economic measures—to mark our progress over time.

Over time, our shared enthusiasm has grown—with the solutions we have been developing and as we increasingly see ways in which we can make a real difference. Please see Appendix A for letters of support from partner organizations.

As a final point, we note that, while this document is, itself, the product of extensive dialogue about solutions, we do not consider it a finished piece of work. The Alliance for Rural Health has a solid Phase 1 program plan with which to embark on this very large and permanent initiative. But we also know that there will be ongoing work to refine and expand our plans and our programs, and to engage with additional partners and sponsors as we do so.

We look forward to meeting with you in January, to present our plan and to answer the Commission's questions.

ON BEHALF OF ALL OUR CURRENT AND FUTURE PROGRAM AND FUNDING PARTNERS

Very truly yours,

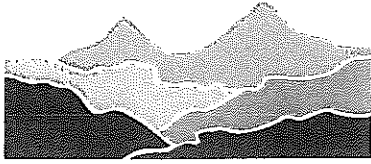
French Moore, Jr.
Chair, Alliance for Rural Health

Jake B. Schrum
President, Emory & Henry College

Brian Noland
President
Tennessee State University

Sean McMurray, FACHE
Vice President and CEO, Northeast Market,
Mountain States Health Alliance

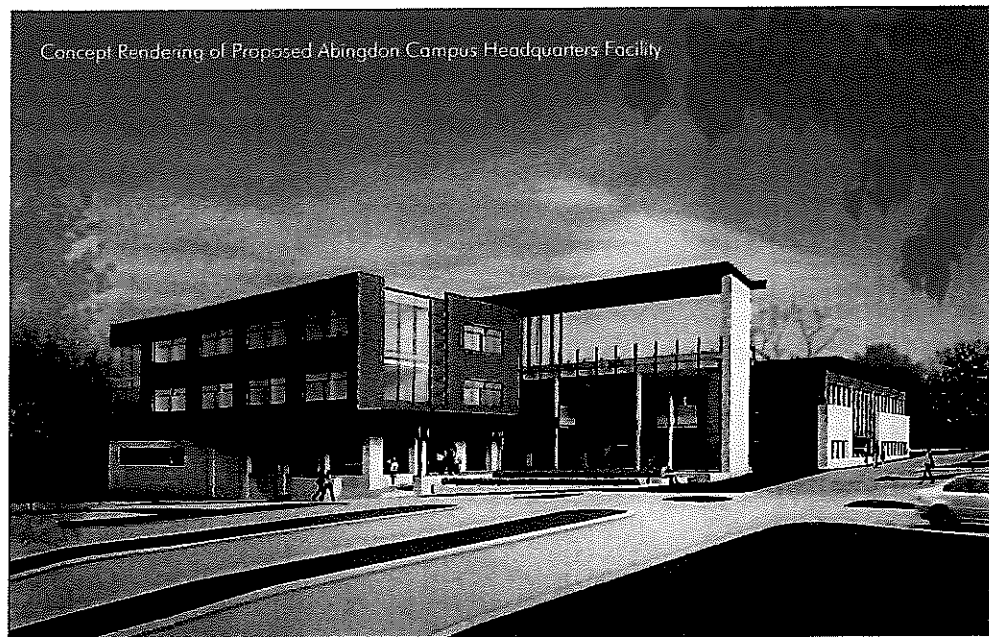
Dixie Tooke-Rawlins
President, Edward Via College of
Osteopathic Medicine



The Alliance For Rural Health

The Collaborative Health Science Center of Southwest Virginia

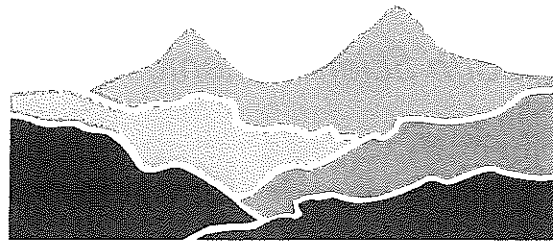
A Strategy to Achieve Prosperity by Improving Community Health



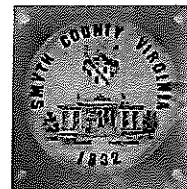
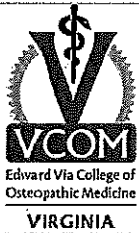
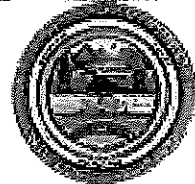
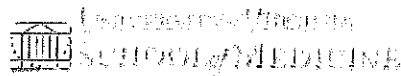
A *Project Update* prepared for:

The Virginia Tobacco Indemnification and Community
Revitalization Commission

November 2014



The Alliance For Rural Health



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Executive Summary

Report to the Tobacco Commission

EXECUTIVE SUMMARY

OUR PURPOSES

The highest purpose of this initiative is to **advance prosperity and well-being for the people of rural Southwest Virginia. This will occur as a result of increasing numbers of businesses and jobs—and healthy, skilled people able to fill those jobs.** The project initially focuses on 9 counties, two towns, and two cities in the Tobacco-Dependent Localities in the region. It is expandable to a larger region, including more counties in rural Virginia and adjacent areas of Tennessee and Kentucky.

Today, in the *Global Knowledge Economy*, economic development is not only about recruitment of businesses. It is very much about creating competitive communities and places. Nothing is more critical to competitiveness than the talent, skills, and *readiness* of the region's people to participate in the economy. In Southwest Virginia, poor health is a crisis, impeding achievement of prosperity and well-being on many levels—individuals, families, communities, and the region as a whole.

We propose a model built on a foundation of partnerships in education and health care institutions with local governments, to carry out an integrated strategy for economic development that centers on **human capital**. Specifically, to make the region's human capital healthier and thus more productive, we must materially improve health education, prevention, and we must try new approaches in clinical care. By doing so, we will enable greater participation of our people in growing the regional economy—making and taking jobs—and in leading their communities.

A VIRTUAL, DISTRIBUTED COLLABORATIVE HEALTH SCIENCE CENTER

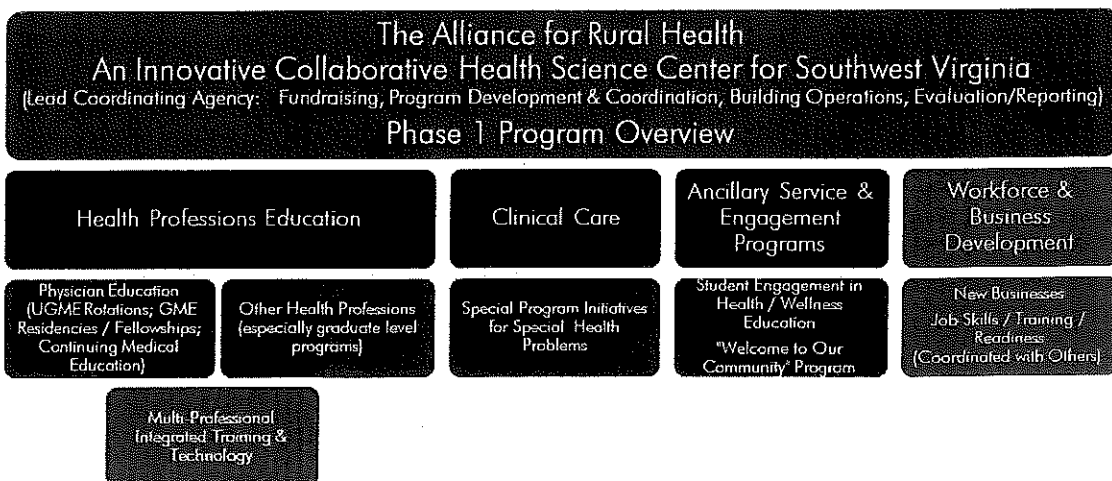
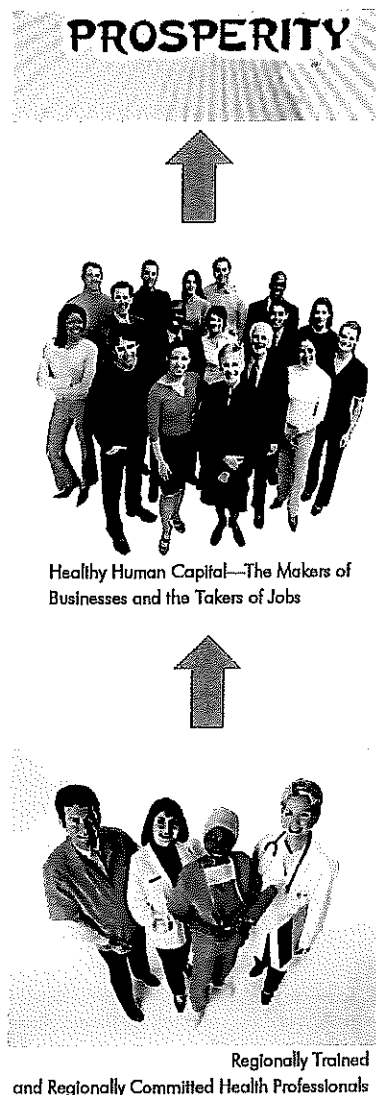
This is a model for a virtual or distributed *Collaborative Health Science Center* that is built on collaboration, to take advantage of existing, distributed assets and to organize new programs and assigned roles, with all partners working in an integrated fashion to reach common goals. The underlying program accreditations and degrees granted will be provided by the partner institutions.

PROGRAM SUMMARY—PHASE 1

In Phase 1, we will deploy Physician Education programs and selected Allied Health programs. We also will develop ancillary programs directed at **Health and Wellness Education and Recruitment / Retention of Physicians**. We also will initiate coordination with agencies and community colleges to connect **Business Development and Workforce Development** resources to the central health strategies. Overall, Phase 1 is as shown in the graphic.

Later, we will add components for public health and selective clinical research, nursing, pharmacy, dentistry, and more allied health programs.

We expect to add partners over time.





FACILITIES

The Proposed New Facility

The proposed new facility at Abingdon is intended to serve as the headquarters for the *Collaborative Health Science Center* and to be the site for collaborative education, clinical, research, and business development programs. The preliminary design is being updated to accommodate the expansion and refinement of our strategies and plans for use of this facility.

Distributed Program Locations

As we will implement a distributed model, some programs will be delivered in distributed locations:

- The Emory, Marion, and Grundy campuses of Emory & Henry College—with the Marion Campus being the home base for the Emory & Henry School of Health Sciences
- Johnston Memorial Hospital, MSHA, will be primary clinical training facility; other various clinical sites may be utilized.

THE PARTNERS

As we undertake Phase 1, the four *Primary Program Partners* are:

- Emory & Henry College
- East Tennessee State University Quillen College of Medicine
- Edward Via College of Osteopathic Medicine
- Mountain States Health Alliance.

Additional Program Partners in Phase 1 will include at least:

- University of Virginia School of Medicine
- Stone Mountain Health Services
- The region's community colleges (for collaborations regarding workforce development).

In future planning, we hope to have additional academic institutions in the initiative. Several such institutions are listed in the report and its Appendices as *Future, Potential Partners*.

GOVERNANCE

Academic Health Center, Alliance for Rural Health Sources and Uses of Funds for Tobacco Commission

I. Sources of Funds

	VTIRC Amount	Match Amount	Total Funds
VTIRC	\$19,000,000		
Town of Abingdon		\$7,500,000	
Smyth County Community Foundation		\$5,000,000	
ARC Grant - E&H Marion Campus		\$500,000	
NMTC - Town of Abingdon		\$6,000,000	
Former Smyth County Hospital Property		\$0	
Total Matching Funds		\$19,000,000	
Total Available Funds	\$19,000,000	\$19,000,000	\$38,000,000

II. Uses of Funds

	Amount	
AHC-Headquarters Campus (Abingdon)	\$25,500,000	
AHC-E&H Marion Campus (Marion)	\$9,500,000	
Clinical Training Equipment	\$3,000,000	
Total Uses of Funds	\$38,000,000	\$38,000,000

Source: The Alliance for Rural Health

The existing tax-exempt organization will be redesigned. Its Board of Directors will include:

- The four *Primary Program Partners*
- One seat to represent the Advisory Board (*Additional Program Partners*)
- Two seats to represent the Towns of Abingdon and Marion as hosts and *Funding Partners*
- Two seats for Community / Civic Leaders (representing constituencies).

CAPITAL AND OPERATING BUDGETS

Capital budgets are provided for the new proposed facility and for the renovation of Emory & Henry's Marion Campus. Matching funds make a total capital project cost of \$23.3 MM for Abingdon. Program budgets (with projections of students, graduates, and faculty / staff) are provided for Undergraduate and Graduate Medical Education and for Allied Health programs of Emory & Henry. Significant funding is in place, and more will be pursued from a number of sources—for capital and operating needs.

APPENDICES

Appendices include: (1) letters of support; (2) additional information; (3) *Economic Impact Analysis* (Weldon Center); and (4) detailed information about *Primary* and *Potential, Future Partners*.

The Plan

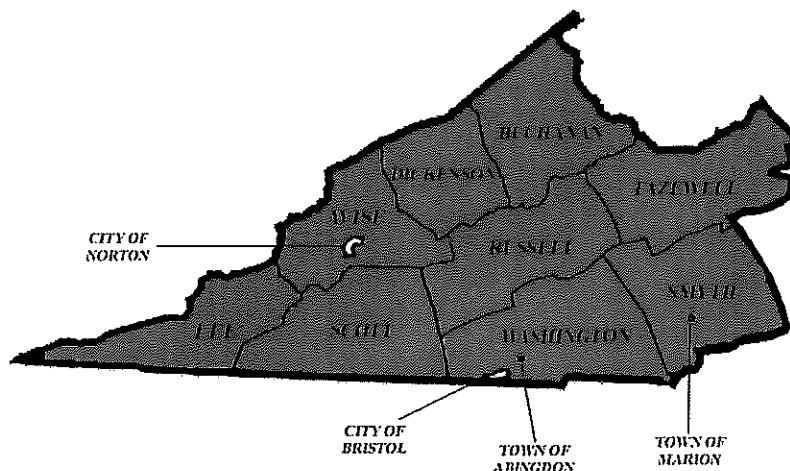
Report to the Tobacco Commission

1—THE REGION'S ECONOMIC CHALLENGES

DEFINING OUR CORE REGION—SOUTHWEST VIRGINIA

This project will be in, and will serve, the Tobacco-Dependent Localities in Southwest Virginia:

- Virginia's nine (9) westernmost counties (Lee, Wise, Dickenson, Buchanan, Scott, Russell, Tazewell, Washington, and Smyth)
- The Towns of Abingdon and Marion
- The Cities of Bristol and Norton.



Selected Demographics—Snapshot of the Core Region

This is an economically-distressed region of Virginia, with comparisons such as these:

- 50 percent of population with "Some College," vs. 68 percent for Virginia
- 8 percent unemployment, vs. 6 percent for Virginia
- 28 percent of children in poverty, vs. 16 percent for Virginia
- Median income of \$34,765 vs. \$63,636 for Virginia
- 21 percent of the population below the poverty level, vs. 11 percent for Virginia.

Comparison of Selected Demographic and Economic Statistics for 11 Jurisdictions of SW Virginia and the Averages for these Jurisdictions with All Virginia

	Virginia	Average 9 Counties + 2 Cities	Bristol City	Buchanan	Dickenson	Lee	Norton City	Russell	Scott	Smyth	Tazewell	Washington	Wise
State Rank: Social & Economic Factors ¹		98	116	114	115	110	82	96	89	107	98	49	97
Some College ¹	68%	50%	55%	40%	43%	48%	58%	47%	49%	48%	50%	62%	46%
Unemployment ¹	6%	8%	8%	8%	9%	8%	7%	9%	6%	9%	7%	7%	8%
Children in Poverty ¹	16%	28%	33%	29%	27%	37%	31%	24%	28%	28%	26%	20%	29%
Inadequate social support ¹	18%	17%	NR	25%	NR	22%	NR	23%	20%	24%	29%	17%	27%
Population 2013 ²	8,260,405	27,980	17,341	23,597	15,486	25,185	4,017	28,264	22,640	31,652	44,103	54,907	40,589
Population % Change ²	3%	-2%	-3%	-2%	-3%	-2%	2%	-2%	-2%	-2%	-2%	0%	-2%
Median Income 2008-2012 ²	\$63,636	\$34,765	\$30,636	\$29,821	\$32,622	\$31,729	\$38,983	\$32,637	\$37,544	\$34,394	\$36,080	\$42,844	\$35,120
Persons below poverty level 2008-2012 ²	11%	21%	22%	25%	20%	24%	21%	20%	19%	20%	18%	12%	24%

Source¹: <http://www.countyhealthrankings.org/app/virginia/2014/com...27%2B051%2B105%2B720%2B167%2B16%2B173%2B18%2B19%2B195>

Source²: U.S. Census Bureau: State and County QuickFacts. Data derived from Population Estimates, American Community Survey, Census of Population and Housing, State and County Housing Unit Estimates, County Business Patterns, Nonemployer Statistics, Economic Census, Survey of Business Owners, Building Permits Last Revised: Tuesday, 08-Jul-2014 06:46:29 EDT

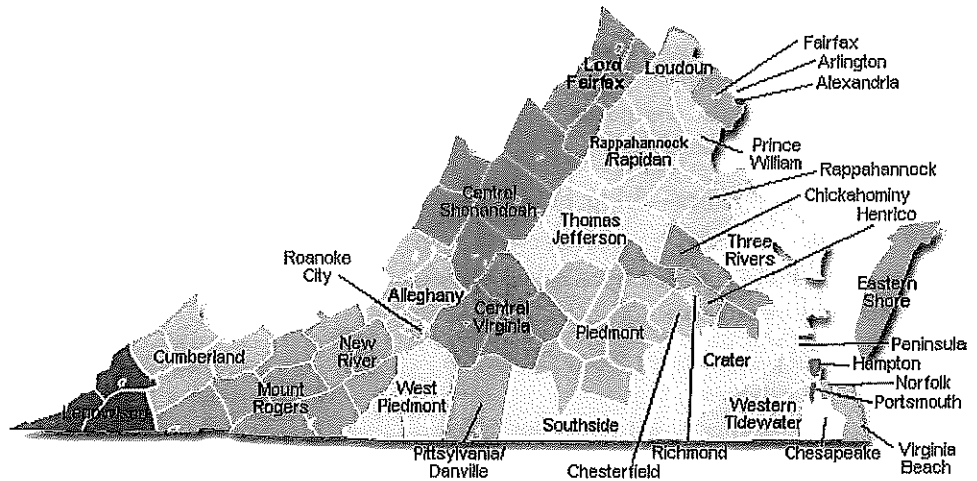
The Core Region—A Severely Distressed Census Tract

When defined as Census Tract Code 51119010502, the region qualifies for certain special federal programs, such as New Market Tax Credits (NMTC) because it meets primary criteria for being considered a *Severely Distressed Census Tract*, including:

- 33.8 percent poverty
- 35.0 percent benchmarked AMI
- 11.10 percent unemployment
- A federally-defined *Medically Underserved Area* ("MUA").

Relationship of Core Region to Virginia's Health Districts

As we have defined our Core Region, it comprises the Lenowisco and Cumberland Health Districts, plus two counties (Smyth and Washington) of a third district, Mount Rogers. Data are maintained by the Virginia Department of Health, organized by these districts.



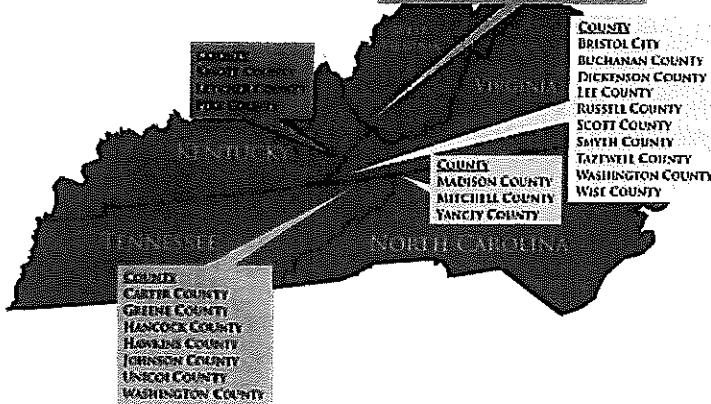
CROSSING STATE BORDERS—AN ENLARGED REGION

There will be program activities across state borders, even initially—with participation of East Tennessee State University (Quillen College of Medicine). Over time, the programs and services developed in this initiative can have positive impact on an enlarged, "natural" region—that crosses state boundaries.

MEDICALLY UNDERSERVED AREAS

MEDICALLY UNDERSERVED AREAS ARE DESIGNATED BY HRSA AS HAVING TOO FEW PRIMARY CARE PROVIDERS, HIGH INFANT MORTALITY, HIGH POVERTY, AND/OR HIGH ELDERLY POPULATION.

- COUNTY BOONE COUNTY
- COUNTY GALLI COUNTY
- COUNTY CLAY COUNTY
- COUNTY FAYETTE COUNTY
- COUNTY GAITHERSBURG COUNTY
- COUNTY HARRISON COUNTY
- COUNTY HANCOCK COUNTY
- COUNTY LINCOLN COUNTY
- COUNTY MADISON COUNTY
- COUNTY MICHIGAN COUNTY
- COUNTY HINDS COUNTY
- COUNTY MONROE COUNTY
- COUNTY NICHOLS COUNTY
- COUNTY TULLAMAH COUNTY
- COUNTY RALPHIGH COUNTY
- COUNTY ROGERS COUNTY
- COUNTY WADSWORTH COUNTY
- COUNTY WASHINGTON COUNTY



It is interesting to note that our region sits at the very center of a five-state region (shown in the graphic) that is *medically underserved*. In the long-term, we envision the possibility that our innovative model can be expanded to include additional partners in adjoining Virginia counties and in the adjoining states.

We believe our unique *Academic Health Center* can become a regional center of excellence for the greater Appalachian region, and a national model for distributive health care improvement in rural localities.

2—THE REGION'S HEALTH CRISIS

The health of our people in Southwest Virginia has reached crisis status, as the population of health care providers retires without replacement; the uninsured population grows daily; and the impact of prescription drug addiction and other public health issues reaches epidemic proportions. From the television show *Sixty Minutes* to the *Remote Area Medical ("RAM")* Volunteer Corps annual event, this crisis is well documented.

The challenges the region confronts are not unique—and yet, the remoteness of many of the communities, the inability to recruit and retain physicians and related health care providers, and the health issues evident in the region magnify these challenges.

Some selected data are provided in this chapter, as background to the proposed initiative.

HEALTH CARE IN THE US—AS CONTEXT

To begin with, any comparisons that are made between the Commonwealth of Virginia and the US in general, and then comparisons of the counties / towns in our Southwest Virginia region with Virginia as a whole, must begin with the sad reality that the US, as a nation, is at the bottom of rankings among 11 nations in overall health care, as reported by the Commonwealth Fund in annually updated reports.¹

‘The United States health care system is the most expensive in the world, but this report and prior editions consistently show the U.S. underperforms relative to other countries on most dimensions of performance. Among the 11 nations studied in this report—Australia, Canada, France, Germany, the Netherlands, New Zealand, Norway, Sweden, Switzerland, the United Kingdom, and the United States—the U.S. ranks last, as it did in the 2010, 2007, 2006, and 2004 editions of Mirror, Mirror.’

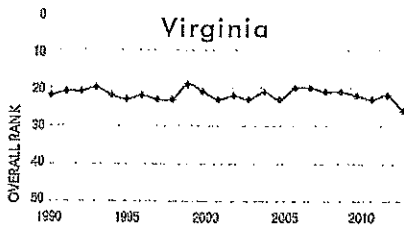
The international ranking of 11 wealthy nations is as follows:

1. United Kingdom
2. Switzerland
3. Sweden
4. Australia
5. Germany & Netherlands (tied)
7. New Zealand & Norway (tied)
9. France
10. Canada
11. United States

Thus, to the extent that we benchmark Southwest Virginia to the Nation as a whole, we are already not benchmarking to a high-performing nation.

Please see Appendix B.1 for more information.

¹ Karen Davis, Kristof Stremikis, David Squires, Cathy Schoen, *Mirror, Mirror On The Wall —2014 Update, How the U.S. Health Care System Compares Internationally*, The Commonwealth Fund, June 16, 2014.
<http://www.commonwealthfund.org/publications/fund-reports/2014/jun/mirror-mirror>



HEALTH IN THE COMMONWEALTH OF VIRGINIA—AS CONTEXT

Average Performance

Then, with the entire US being a poor health performer, the Commonwealth of Virginia is a “middling” performer among the 50 US states, as documented in *America’s Health Rankings*, as published by the United Health Foundation. In 2013, Virginia’s rankings placed the Commonwealth at #26—the top of the bottom half of the 50 states:

Overall Rank:	26	Determinants Rank:	18
Change:	- 4	Outcomes Rank:	28

Virginia’s strengths are:

- Low rate of drug deaths
- Low violent crime rate
- Low percentage of children in poverty.

Virginia’s challenges are:

- High prevalence of diabetes
- High infant mortality rate
- Large disparity in health status by educational attainment.

Virginia also has a higher rate of uninsured than the US average and a lower percentage of poor, underserved covered by Medicaid.²

Health Insurance Coverage Factor

Lack of health insurance coverage, either purchased or publicly-provided, surely is another factor in health disparities in the region, but not a challenge that can be addressed at the regional level.

To some extent, the Alliance’s program efforts will include working to ensure that people who may be eligible for various insurance or Medicaid coverages are assisted with information to obtain such coverage.

Population Characteristic	Virginia	United States
% Uninsured	38.9%	34.9%
% with Medicaid coverage	23.1%	40.6%

Please see Appendix B.2 for more information.

Virginia’s State Rural Health Plan

Virginia’s State Rural Health Plan, updated in 2013, identified several key health conditions that were selected through synthesis of its stakeholder input. Data were collected from the 2012 Virginia Rural Health Association online survey and Rural Health Action Conference.

The results of the top six results for the categories of *Top Health Issues* and *Top Health Behaviors* are shown in the table below: (p.14)

Top Health Issues		Top Health Behaviors	
Issue	Results	Behavior	Results
Obesity	56.6%	Diets High in Fats and Sugars	61.2%
Diabetes	37.7%	Physical Inactivity	53.9%
Depression & Anxiety	33.6%	Alcohol Abuse/ Excessive Drinking	43.3%
Poor Physical Health	25.2%	Smoking/ Tobacco Usage	42.0%
Oral Health	20.2%	Prescription Drug Abuse	36.5%
Heart Disease	20.0%	Illegal Drug Use	36.3%

The *Virginia Rural Health Plan 2013* stresses the need for building of coalitions as a central facet of improving care in rural communities. “It facilitates sharing of resources and avoiding duplication of services.” (p.15)

²Health Resources Service Administration, 2013 Program Grantee Comparison Data, <http://bhca.hrsa.gov/uds/datacenter.aspx?year=2013&state=va&compare=not>

SOUTHWEST VIRGINIA—HEALTH FACTORS AND HEALTH OUTCOMES

Present and Increasing Shortages of Physicians

A National Crisis

The Association of American Medical Colleges (AAMC) recently predicted a shortage of nearly 100,000 physicians in the US by 2020, growing by some estimates from 130,600 today to 159,700 by 2025. The shortage is especially significant because the one in five Americans who lives in rural areas has greater medical need, being sicker (e.g. more likely to have diabetes, more likely to die from cardiovascular disease) and older than those living in non-rural areas.

Per the research of retainer firms, the #1 most difficult search for hospitals and groups in the US is Family Medicine; and Internal Medicine is in the top 5. Openings are all across the US; everyone is in the same boat. There are too many openings and not enough doctors to fill those positions. Outpatient Clinics are hiring more Nurse Practitioners and Physician Assistants to help fill the gaps.

Factors in Location Choices and Rural Area Challenges

Rural areas have less than 60 percent of the *per capita* supply of generalists, compared with urban areas; and current trends indicate that the situation only will worsen: Rural areas will disproportionately bear the impact of the decreasing numbers of primary care physicians.

- All other things being equal, 50 percent of graduating residents will practice within 50 miles of their medical school or residency training site
- Factors: where the spouse is from; spouse's job opportunities; quality of schools; family factors
- With advent of the 80 hours rule, decrease in residency education opportunities, school debt issues, and life style issues, student and residents are less likely to join a small practice after residency graduation
- Students / residents who grew up in rural areas are more likely to practice in a small community
- If a medical student does clerkship / rotations for one to three months in a rural area, they are less likely to want to practice in a rural area; if they spend 3 to 6 months, the effect is neutral; if they spend more than six months, they are more likely to want to practice in a rural area after completing a residency
- If a student or resident trains in Virginia, there is 39 percent chance that the individual will stay in Virginia. The national average is about 49 percent.³

The adjacent table shows just how badly Southwest Virginia's counties and cities compare in physicians serving the region's population to Virginia as a whole and to the US average.

Anecdotal Evidence from Perspective of a Major Regional Clinical System

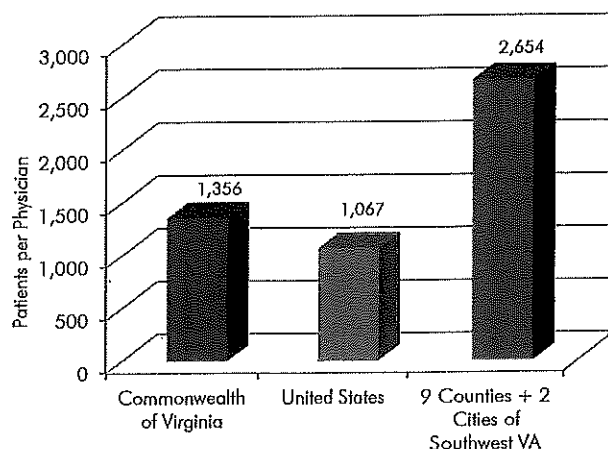
Overall, Mountain States Health Alliance (MSHA), the largest clinical care system in the multi-state region and exclusive comprehensive clinical partner for this initiative, typically has between 50 and 60 openings in all specialties combined each fiscal year. MSHA now is seeing this physician shortage mainly in the areas of Family Medicine and Internal Medicine Physicians who are Primary Care Physicians, the kind of practitioners the system needs for staffing its Out-Patient Clinics in the region.

"Recruitment of primary care physicians has become very difficult. The presence of 3rd and 4th year medical students has provided some advantage in recruitment of physicians, but the need is still acute.

By training our primary care physicians and other needed specialists here in our region, we anticipate a significant number of them will eventually choose to establish their practices in our area."

Sean S. McMurray, FACHE
 Vice President/Chief Executive Officer
 Johnston Memorial Hospital

Primary Care Patients per Physician:
 Virginia, US, and Southwest Virginia



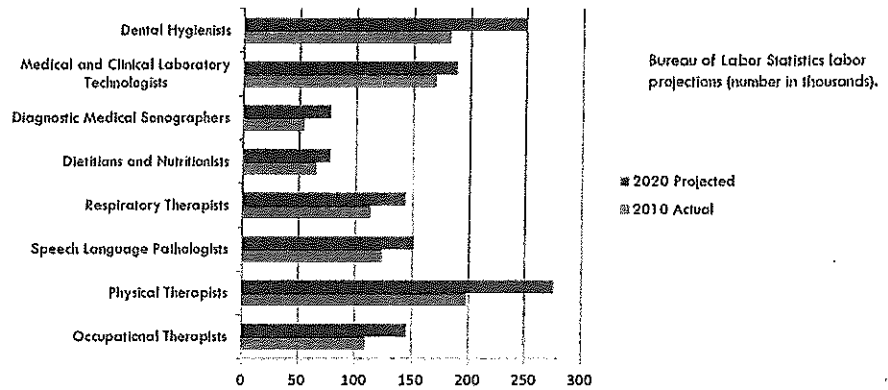
³ Data are available at www.dhp.virginia.gov



Shortages of Other Health Professionals

There is mounting evidence of national shortages in critical Allied Health professions and Nursing. For selected Allied Health occupations, the gaps between projected needs for 2020 and actuals in 2010 are shown in the adjacent graphic.

ACTUAL AND PROJECTED NEED FOR ALLIED HEALTH PROFESSIONALS



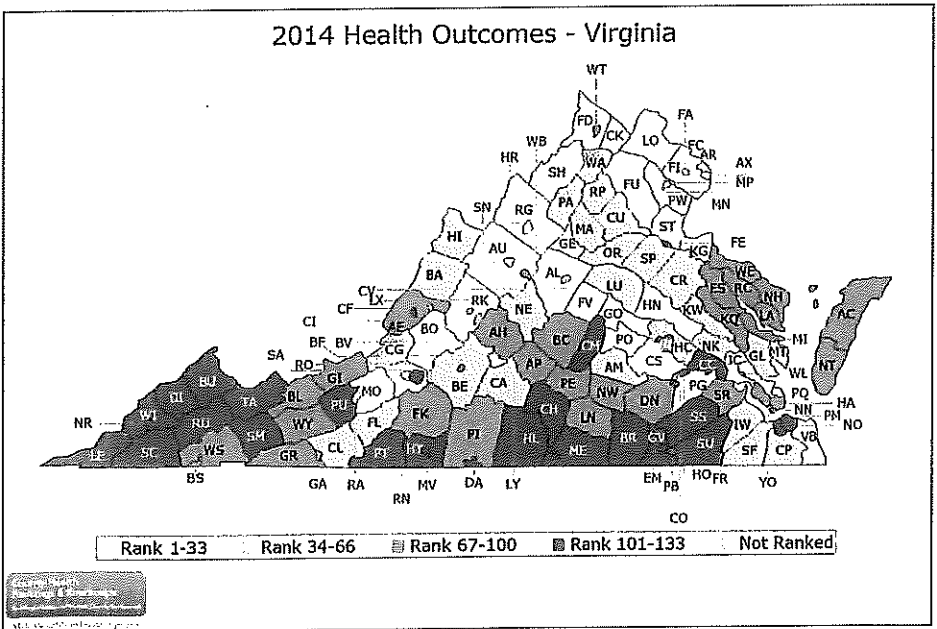
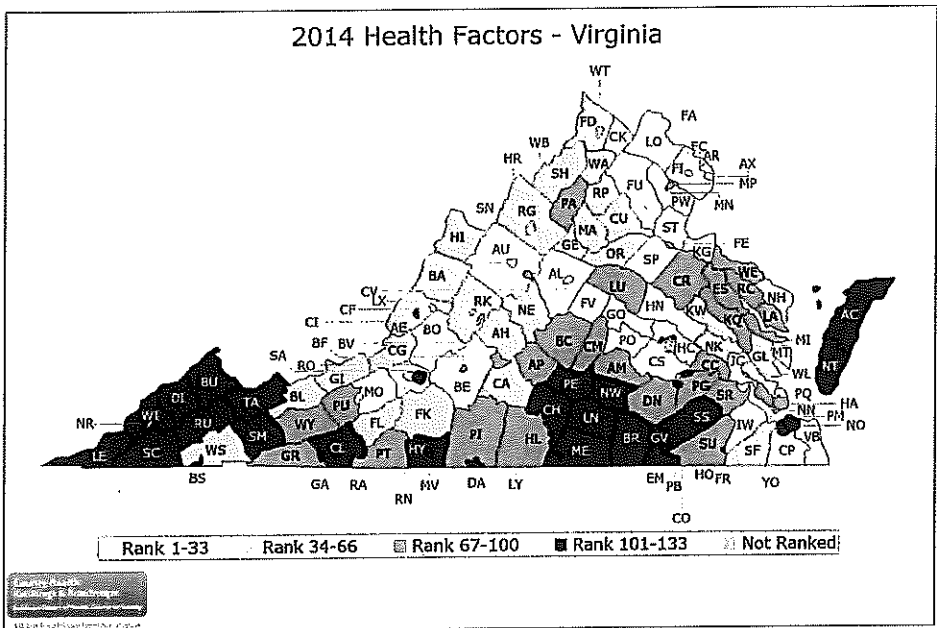
The problem is more notable in rural regions like Southwest Virginia.

Please see Appendix B.3 for more information

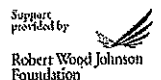
Health Factors and Outcomes—County Rankings

The Robert Wood Johnson Foundation, a leader in health care research, in collaboration with the University of Wisconsin Population Health Institute, publishes annual rankings of health outcomes, by county. The study ranks the overall health of nearly every locality in the US, measuring how healthy people are and how long they live. The health of localities was ranked on two sets of measures: **health outcomes**, the length and quality of residents' lives; and **health factors**, including health behaviors, access to and quality of clinical care, social and economic factors, and physical environment.

In the following maps, the lighter the county / city, the better it ranks in Health Factors or Health Outcomes. Southwest Virginia, along with Southside / South Central Virginia, is one of the poorest performing areas of the Commonwealth. In our region, only Washington County is not in the bottom 33 of Virginia's 133 jurisdictions.



A collaboration between the Robert Wood Johnson Foundation and the University of Wisconsin Population Health Institute.





**Overall Health Rankings for 9 Counties and 2 Cities of Southwest Virginia
(of 133 Virginia Jurisdictions)
2010 to 2014**

County / City	2014	2013	2012	2011	2010	Change from 2010 to 2014
Bristol City	82	78	93	82	82	↔
Washington	87	96	86	83	79	↓
Norton City	95	94	NR	80	111	↑
Lee	114	115	108	125	127	↑
Wise	119	124	122	126	122	↑
Scott	120	120	115	101	83	↓
Smyth	124	113	109	114	112	↓
Russell	125	127	124	123	128	↑
Dickenson	130	130	128	127	125	↓
Buchanan	131	131	129	130	132	↑
Tazewell	132	132	126	124	129	↓
Averages	114	115	104	110	112	↓

Sources: Robert Wood Johnson Foundation, County Health Rankings

Further, the recent trends have not been clearly positive. The adjacent table shows that the low rankings of Southwest Virginia's nine counties and two cities in the overall health rankings have improved in the last five years in five cases and have deteriorated in five others, with one—Bristol City—at the same rank in 2010 and 2014, despite intermediate changes.

In *Health Outcomes* (a combination of *Length of Life* and *Quality of Life* factors), the average ranking for the region as a whole (as an average of the 11 rankings) declined from 112 to 114 (of 133 counties and cities).

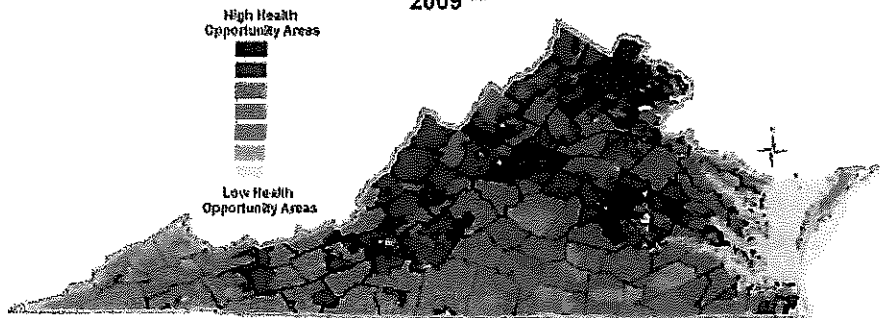
The region ranks very low in *Clinical Care* and in *Physical Environment* factors, and somewhat higher in *Health Behaviors*.

More and similar evidence is provided by the *Health Opportunity Index*.⁴

Average of 9 Counties + 2 Cities of Southwest Virginia of 133 Virginia Jurisdictions—in Health Outcome and Health Factor Rankings, 2014

	Rank (of 133)
Health Outcomes	114
Length of Life	113
Quality of Life	112
Health Factors	105
Health Behaviors	85
Clinical Care	114
Physical Environment	107

**Virginia
Health Opportunity Index (HOI) *
By Census Tracts
2009 ****



⁴ Virginia Health Equity Report, in 2013, *Virginia Rural Health Plan*, p. 12.

Health Factors and Outcomes—A Closer Look

Common health concerns of this population include hypertension, arthritis, poor dentition, depression, heart disease, diabetes and pulmonary disease. The following table shows Southwest Virginia vs. All Virginia in several specific health indicators. The region has more people in poor or fair health; more people dying prematurely; more adult smoking and obesity; and significantly more preventable hospital stays. Patient to provider ratios are much, much higher than the ratios for Virginia as a whole.

Comparison of Average of 9 Counties + 2 Cities of Southwest Virginia with All Virginia State Statistics—in Health Outcome and Health Factors

	All Virginia	9 Counties + 2 Cities-SWVA	Variance—SW VA to All VA	
			Variance #	Variance %
Premature death	6,362	10,335	3,973	62%
Poor or Fair Health	14%	22%	8%	57%
Poor Physical Health Days	3.2	5.1	1.9	60%
Poor Mental Health Days	3.1	4.3	1.2	40%
Low Birthweight	8%	9%	1%	9%
Adult Smoking	18%	22%	4%	21%
Adult Obesity	28%	30%	2%	9%
Physical Inactivity	23%	31%	8%	33%
Access to Exercise Opportunities	78%	58%	-20%	-25%
Patients per Primary Care Physician	1,345	2,049	704	52%
Patients per Dentist	1,653	4,741	3,088	187%
Patients per Mental Health Provider	998	2,222	1,224	123%
Preventable Hospital Stays	59	141	82	139%

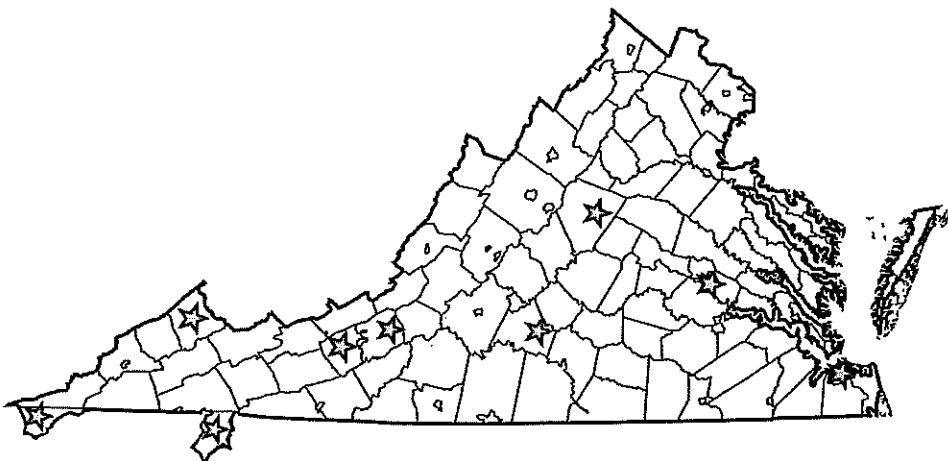
Source:
<http://www.countyhealthrankings.org/app/virginia/2014/com...27%2B051%2B105%2B720%2B167%2B169%2B173%2B185%2B191%2B195>

3—ASSET INVENTORY—VIRGINIA, THE CORE REGION, AND JUST BEYOND THE REGION

ACADEMIC HEALTH CENTER ASSETS IN VIRGINIA

Significant disparities in health factors and outcomes among Virginia's regions may be attributed to the (1) distribution of wealth and economic activity and the (2) distribution of sophisticated health science resources in the state's academic health centers. The largest concentrations of assets are in the East and Central regions of the Commonwealth.

If one includes two adjacent counties of Tennessee, the locations of Academic Health (Sciences) Centers or freestanding academic health schools in Virginia or just adjacent to our Core Region are shown on the following map.



Academic Health Centers and Institutions in Virginia

- Eastern Virginia Medical School
 - Virginia Commonwealth Health Science Center
 - University of Virginia Health System
 - Liberty University College of Osteopathic Medicine
 - Edward Via College of Osteopathic Medicine
 - Virginia Tech-Carilion School of Medicine
 - Appalachia College of Pharmacy
- In Tennessee:
- East Tennessee State University Academic Health Sciences Center
 - Lincoln Memorial University, DeBusk College of Osteopathic Medicine

OUR CORE REGION'S ASSETS

Southwest Virginia is not without its assets, resources, and programs to support health care. What the region does not have is the comprehensive and organized resources that typically are provided by an academic health center. While it does not have one of Virginia's academic health centers, it is not far from one—East Tennessee State University (ETSU) Health Sciences programs and Johnson City Medical Center are just to the south, in Johnson City, Tennessee.

We have begun an effort to carefully catalog our Inventory of Health Care and Health Professions Program Assets. We also will need to more closely examine actual enrollments, degree/certificate completions, and licensing success, in order to plan programs for Phase 2 and beyond. For the moment, this is a snapshot of assets that are literally resident within the Core Region.

Institutions and Program Assets

Among current assets directly present in the nine-county / two-city region and directly serving it are:

Clinical

- Mountain States Health Alliance, the exclusive integrated health system provider in this initiative
- Wellmont Hospital System
- Stone Mountain Health System
- Southwest Virginia Community Health Systems
- Community Service Boards
- Health Departments
- Holston Medical Group



RAM = Asset and Evidence

Thus, RAM program definitely counts as an important asset in the region, but it also serves to underscore how desperate are many in the population to receive health services to which they normally do not have access.

Remote Area Medical Volunteer Corps

Remote Area Medical (RAM) Volunteer Corps is a Knoxville, Tennessee-based, non-profit, volunteer, airborne medical relief corps that provides free health care, dental care, eye care, veterinary services, and technical and educational assistance to people in remote areas of the United States, and around the world.

RAM was founded in 1985 by Stan Brock, who worked as an assistant to Marlin Perkins on Mutual of Omaha's Wild Kingdom. The group's work was originally confined to Third World countries, but later shifted to the US. The organization has provided \$33,079,038 worth of free health care to 357,368 patients with the help of 36,675 volunteers since its inception. Approximately two-thirds of this total is in the US.

According to Brock, local licensing requirements for doctors in many states prevent his group from bringing out-of-state doctors to areas where their help is needed.

Tennessee is the only state that has an "Open Borders to Doctors" law on its books. Special exemptions have enabled RAM to hold a few clinics outside the state of Tennessee.

RAM is funded through donations and relies on volunteers from the community, as well as professionals including physicians, dentists, optometrists, nurses, pilots and veterinarians to provide care in poorer communities.

http://en.wikipedia.org/wiki/Remote_Area_Medical

- Remote Area Medical Volunteer Corps (RAM)—in which Virginia's academic health centers are volunteer participants.

Health Professions Education

- Appalachian College of Pharmacy
- Nursing Program, UVA College at Wise
- Nursing Program, Tri-College Nursing Program, VCCS
- Graduate Nursing Programs offered at the Southwest Virginia Higher Education Center by Old Dominion University and Virginia Commonwealth University.

Planning, Public Policy, Advocacy

- Southwest Virginia Health Authority
- Virginia Department of Health, Office of Minority Health and Health Equity (State Office of Rural Health)
- Virginia Rural Health Resource Center
- Virginia Rural Health Association
- Healthy Appalachia Institute
- Graduate Medical Education Consortium
- OneCare
- Southwest Area Health Education Center (AHEC).

Remote Area Medical Program—An Asset that Illustrates the Crisis

The three-day RAM clinic held in late July, 2008 had 1,584 volunteers who provided 5,475 treatments to 2,670 patients. The total value of care provided at this single clinic equaled \$1,725,418.

RAM now has become an annual program in Southwest Virginia—with clinics held in Wise and Grundy. UVA, VCU, and other Virginia institutions provide volunteers to staff the clinics. Patients travel from all over the region to receive these health care services. Many of the patients are from the coal counties of Southwest Virginia—home to some of the most medically-underserved populations in the Commonwealth.

Last year, RAM health care providers saw and treated more than 1,200 patients in 2.5 days. Its 20-bed clinic saw more patients than a busy emergency room sees on average in a 24-hour period. To set up for the clinic, UVA volunteers converted horse stalls into exam rooms by creating "walls" with only ropes, sheets and clothes pins. Some patients traveled for hours and slept in their cars overnight—just to receive the free medical and dental care. For many patients, this is the only opportunity they have to see a physician for the whole year.



Inventory of Degree Programs Delivered in Our Core Region

We recognize that over the past several years several health related career programs and degrees have emerged in the region. We have attempted to identify all of these programs in an effort to ensure that a uniform strategy for increasing the number of needed healthcare professionals emerges in a way that is supportive of existing programs, while identifying needed, but non-existent or [underserved] programs.

Physician Education, Nursing, Pharmacy, and Health Administration Programs

Programs provided by institutions that literally are resident within the Core Region or delivered within the Core Region in Medicine, Nursing, Pharmacy, and Health Administration (four-year/graduate insitutions) are as follows.

Existing Health Professions Programs Offered by Institutions Resident in the Core Region or Delivered in the Core Region

Physician Education	Emory & Henry College	University of Virginia, Wise College	Virginia Community Colleges	Programs Offered via / of Southwest Virginia Higher Education Center	Edward Via Virginia College of Osteopathic Medicine	Lincoln Memorial University Debusk College of Osteopathic Medicine	Appalachia College of Pharmacy	Gatton College of Pharmacy (East TN State University)
					26 3 rd and 4 th year medical student rotations	26 Internal Medicine residencies at Norton Community Hospital, Norton, VA and 12 Family Medicine residencies at St. Mary's Hospital (MSHA)		
Pharmacy (PharmD) Program	Emory & Henry College	University of Virginia, Wise College	Virginia Community Colleges	Institutions Providing Programs at Southwest Virginia Higher Education Center		Lincoln Memorial University DeBusk College of Osteopathic Medicine	Appalachia College of Pharmacy	Gatton College of Pharmacy (East TN State University)
							PharmD Program in Oakwood, Buchanan County	PharmD Rotations at Johnston Memorial Hospital
Nursing Programs	Emory & Henry College	University of Virginia, Wise College	Virginia Community Colleges	Institutions Providing Programs at Southwest Virginia Higher Education Center		Lincoln Memorial University DeBusk College of Osteopathic Medicine	Appalachia College of Pharmacy	Gatton College of Pharmacy (East TN State University)
Nursing (AAS / LPN)			AAS, Tri-College Nursing LPN, SWVCC	CRNA (Certified Nurse Anesthetists), VCU				
Nursing (BSN)		BSN		BSN, ODU BSN, King University				
Nursing (Master's Level)				MS, Family Nurse Practitioner, ODU MS, Nurse Educator, ODU MS, Nursing Leader, ODU MS, Women's Health Practitioner, ODU				
Nursing (Doctoral Level)				DNAP, VCU DNP, Doctor of Nursing In				



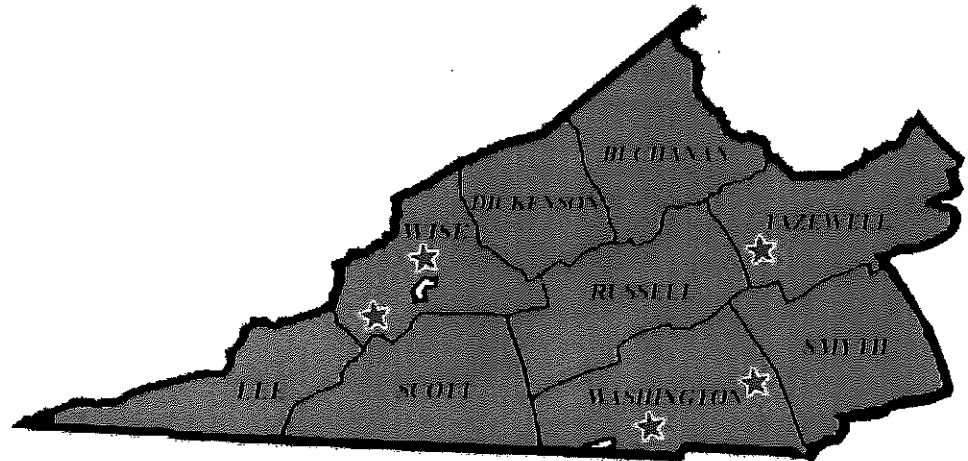
Allied Health Professions Programs—Baccalaureate and Graduate Levels

Allied Health professionals play a critical role in the delivery of health care in many Southwest Virginia communities. They are often the front-line entry point for people accessing healthcare. The jobs created in the Allied Health professions offer many Southwest Virginians good paying positions right in their local communities.

At present, the only baccalaureate level Allied Health program offered directly within the region is Athletics Training, at E&H College.

Colleges Within the Core Region with Allied Health / Health-Related Programs

- Southwest Virginia Community College
- Virginia Highlands Community College
- Mountain Empire Community College
- Emory & Henry College
- University of Virginia-Wise College



There are no graduate programs in Allied Health—until one goes beyond the region’s boundaries (see below).

Allied Health Professions Programs—Associate and Certificate Level Programs

Allied Health Programs at Mountain Empire, Southwest Virginia, and Virginia Highlands are:

Mountain Empire Community College

- Emergency Medical Services AAS degree program
- Funeral Services AAS degree program
- Medical Laboratory Technology AAS degree program
- Occupational Therapy Assistant AAS degree program
- Physical Therapy Assistant AAS degree program
- Radiography Technology AAS degree program
- Registered Nursing AAS degree program
- Respiratory Therapy AAS degree program
- Medical Office Coding and Procedures Certificate
- Practical Nursing Certificate
- Clinical Research Coordinator Career Studies Certificate
- Computed Tomography Career Studies Certificate
- Emergency Medical Technician Career Studies Certificate
- Emergency Medical Technician Intermediate Career Studies Certificate
- Emergency Medical Technician Paramedic Career Studies Certificate
- Funeral Services Assistant Career Studies Certificate
- Health Sciences Career Studies Certificate
- Medical Records Technician Career Studies Certificate
- Medical Transcriptionist Career Studies Certificate
- Nursing Assistant Career Studies Certificate
- Pharmacy Aide Career Studies Certificate
- Phlebotomy Career Studies Certificate

Southwest Virginia Community College

- Emergency Medical Services AAS degree program
- Registered Nursing AAS degree program
- Occupational Therapy Assistant AAS degree program
- Radiography AAS degree program
- Health Sciences Certificate
- Practical Nursing Certificate
- Computed Tomography Career Studies Certificate
- Emergency Medical Technician Intermediate Career Studies Certificate
- Electronic Medical Records Specialist Career Studies Certificate
- Emergency Medical Technician Paramedic Career Studies Certificate
- Health Care Technician Career Studies Certificate
- Medical Coding Career Studies Certificate
- Paraoptometric Career Studies Certificate
- Pharmacy Technician Career Studies Certificate
- Phlebotomy Career Studies Certificate
- Registered Nurse to Paramedic Bridge Career Studies Certificate

Virginia Highlands Community College

- Emergency Medical Services AAS degree program
- Registered Nursing AAS degree program
- Occupational Therapy Assistant AAS degree program
- Radiography AAS degree program
- Health Sciences Certificate
- Computed Tomography Career Studies Certificate
- Emergency Medical Technician Intermediate Career Studies Certificate
- Emergency Medical Technician Paramedic Career Studies Certificate
- Magnetic Resonance Imaging Career Studies Certificate
- Health Information Technology Career Studies Certificate

ASSETS JUST BEYOND OUR DEFINED REGION

With more counties of Virginia to the east, and adjacent Tennessee counties, there are more assets.

Medical Education

For Physician Education, within a reasonable distance beyond the Core Region, there are:

- Edward Via College of Osteopathic Medicine (VCOM), Blacksburg
- Virginia Tech Carilion School of Medicine and Research Institute, Roanoke, focus on research
- The Quillen College of Medicine, East Tennessee State University, Johnson City, TN
- DeBusk College of Osteopathic Medicine (DCOM), Lincoln Memorial University, Harrogate, TN—which provides residents in Wise and Russell County.

VCOM, ETSU and DCOM focus on preparing physicians for practicing in rural Appalachia.

Allied Health

For Allied Health programs, within a reasonable distance beyond the region, as defined, there are:

- School of Allied Health, Lincoln Memorial University. Programs are in BS, Athletic Training; BS Medical Laboratory Science; BS and AS in Veterinary Health Science & Technology. LMU is growing a Physician Assistant Program.
- College of Clinical and Rehabilitative Health Sciences, Audiology, Speech Pathology, Physical Therapy, Nutrition & Dietetics, Respiratory Therapy, Radiography, and Dental Hygiene. The programs at BS, MS, and doctoral level are DPT and AuD
- Doctor of Physical Therapy, Radford University, Roanoke.



Wytheville Community College

- Dental Hygiene AAS degree program
- Emergency Medical Services AAS degree program
- Medical Laboratory Technology AAS degree program
- Registered Nursing AAS degree program
- Physical Therapy Assistant AAS degree program
- Radiologic Technology AAS degree program
- Medical Office Clerk Certificate
- Practical Nursing Certificate
- Computed Tomography Career Studies Certificate
- Dental Assisting Career Studies Certificate
- Emergency Medical Technician Intermediate Career Studies Certificate
- EMT-Intermediate to Paramedic Bridge Career Studies Certificate
- Health Science Career Studies Certificate
- Medical Coding Career Studies Certificate
- Medical Records Clerk Career Studies Certificate
- Medical Transcriptionist Career Studies Certificate
- Pharmacy Technician Career Studies Certificate
- Phlebotomy Career Studies Certificate

RESPONDING TO MAJOR STRATEGIC AND POLICY STUDIES

Blueprint for Health Improvement and Health-Enabled Prosperity

The Southwest Virginia Health Authority (the Authority) is a special state entity created by the Virginia Legislature, with the stated mission to: *“seek to improve quality of life in the region by enhancing, fostering and creating opportunities that advance health status and provide health-related economic benefits for people of all ages.”*⁵ In 2009, the Authority published its *Blueprint for Health Improvement and Health-Enabled Prosperity*. In the *Blueprint*, it noted that *“To effect substantial and lasting change, the improvement of health is interconnected with advances in education and business opportunities. While there is increasing collaboration, the region is still fragmented in its approach to health planning and deliver. There is a need to develop a truly regional solution for Central Appalachia.. [with] an opportunity ...to craft a model for all of Appalachia.”*⁶

The report recognized that a *“[m]ulti-stakeholder inclusive approach is critical to achieve the desired continuous improvement in the health, the education and the prosperity of the region.”*⁷

Some of the notable goals of the effort described in the *Blueprint* are to:

- Create a model collaborative permanent bricks and mortar medical specialist training center of excellence located in the region, with a dual workforce development and care mission
- Increase the permanent ancillary licensed care providers (PT, OT, ST, RD, etc.) to at least parity with state ratios
- Enhance academic engagement in regional health
- Establish a regional standard for community-based participatory research
- Establish a mechanism for operational collaboration among regional academic institutions
- Support regional efforts in education and economic development.⁸

The efforts, mission, vision and goals of the Alliance for Rural Health are in line and consistent with many of those enumerated by the Southwest Virginia Health Authority.

⁵ *Blueprint for Health Improvement and Health-Enabled Prosperity*, Southwest Virginia Health Authority, 2009, Introduction.

⁶ *Ibid.* p. 6

⁷ *Ibid.* p. 10

⁸ *Ibid.* pp. 11-14

By developing this *Collaborative Health Science Center*, the Alliance for Rural Health is building upon, and delivering on many of the goals identified in the *Blueprint* in a manner that embraces its vision of achieving “continuous improvement in the health and prosperity of the region.”⁹

Virginia’s State Rural Health Plan 2013

This updated *State Rural Health Plan* for Virginia identifies several notable strategies centered around this concept:

- Action 5.1 Promote the recruitment and retention of health care professionals in rural areas
- Action 5.4 Explore health care workforce training models that are high quality and accessible to rural residents
- Action 5.6 Engage academic health and medical institutions to increase rural clinical rotation, rural curricular content, and partnership with rural health institutions.
 - Increase the number of rural residencies
 - Increase rotations from the medical schools for rural areas
- Action 5.7 Promote collaboration between and among health professions.

Appendix B.5 provides the cover pages of these two critically important documents, as reference.

SOME CONCLUSIONS—THE CASE FOR A DISTRIBUTED PROGRAM STRATEGY

Bring Medical *Education*, Rather Than a Medical *School*

As a result of considerable study and dialogue, it became clear to the planners in our tobacco-affected Southwest Virginia region (as defined) that starting a medical school was not the best way to achieve increase in physicians; it would take many decades and possibly billions of dollars to achieve a truly comprehensive *academic health center*. We concluded that it be not only more realistic, but actually also more efficacious to engage with nearby existing institutions, to bring into our region medical student rotations and graduate residencies that we do not now have. This distributed, partnership model is, effectively, the only reasonable path for achieving our goals.

Given evidence that physicians tend to stay where they end their training, this is how we will most effectively accomplish increasing the presence of practicing physicians and other health professionals who, once trained in our region, may elect to stay to serve our population.

Grow Other Health Professions Programs

In the realm of Allied Health, there are many programs, but they are primarily at the associate and certificate level, offered by the community colleges. Also, as the data above shows, there are a number of missing programs at the associate, baccalaureate and graduate levels.

A Phased Approach

Ultimately, we want to create a complement of programs that replicate the comprehensiveness of an *academic health center*. We will begin this long-term initiative with a “Phase 1”—with some of the most critical programs. Others will be planned and implemented in later phases. Among important areas that need further study and planning, for later implementation are:

- Dentistry
- Pharmacy
- Nursing
- Additional Allied Health programs
- Public Health and Clinical Research—specific focus on health problems of this population.

⁹ *Ibid.* p. 2

4—VISION, MISSION, GOALS, AND METRICS

VISION

A new kind of virtual academic health center for Southwest Virginia—created in an innovative, distributed model focused on improving the health and economy of the region.

MISSION

Improve health and productivity of Southwest Virginia's population, by creating a pragmatic, result-focused partnership model for delivery of health professions education, relevant research, general and specialized clinical care, and related business development services.

PHASE 1 GOALS—2015 TO 2020

Health

- Increase the supply of physicians (MDs and DOs) serving the region
- Increase the supply of other needed health professionals serving the region
- Provide targeted clinical prevention and treatment services aimed at mitigating the region's greatest health problems—including obesity, diabetes and substance abuse.

Economy and Employment

- Create jobs as a result of planning, construction, and staffing of the new proposed facility
- Increase the number of business formations—in medical practices, other health services and other segments, and the numbers employed in those businesses
- Along with improved health outcomes, work to improve the education and skills of the people, and to connect them with available employment and business development opportunities

While this initiative focuses on health, it also is intended to create linkages with education and training programs and resources—to enable more people to become employed in skilled occupations. **Economic prosperity for the people and communities is the ultimate purpose.**

LONGER-RANGE GOALS

Program Development

- Continue to increase the supply of physicians and health professionals in the region
- Develop Continuing Medical Education (CME) programs
- Develop and apply findings from Population Health research to clinical practice—especially in areas of great health disparities in the region's population
- Assess needs for growth or expansion of Nursing programs at all levels
- Explore creation of a School of Dentistry or, much more likely, an alternative solution to making dental care more readily available in the region
- Develop and implement additional Allied Health programs

Positive Health Impacts on Economy and Employment

- Materially and measurably improve health outcome statistics in the region
- Improve employment, median income, and other economic outcome statistics.
- Improve the region's competitiveness and image for economic growth.

Short-Term and Longer-Term Solutions

An immediate opportunity is creation of good jobs relating to construction of the new facility (described in Chapter 8).

But our objectives also include much longer-term economic development benefits in creating direct health profession jobs (and people to fill them). Health programs will begin in Phase 1; more will be added later.

Third, we also expect to generate indirect jobs by increasing health-related businesses and other businesses in the communities, because the communities and their work force will be more competitive for attracting businesses.

Please see Appendix B.6 for an *Economic Impact Analysis*.

Our goal is a healthy and prosperous Southwest Virginia.

Ed Morgan, Mayor of Abingdon



METRICS OF SUCCESS

Metrics will be established and tracked in three categories, as follows:

- **Professionals.** Physician and health professionals working in the region
- **Health.** Health outcome statistics—especially for selected conditions / diseases
- **Economy.** Economic outcome metrics, e.g. employment, median income, improvement in viable job applicant pools for employer recruitment, etc.

Health Professionals

- Increase in number of MD and DO physicians practicing in the region, as measured by the ratio of patients per physician (RWJ Foundation annual data)
- Decrease in open / vacant positions for physicians at MSHA, annually, as reported by MSHA
- Increase in number of licensed allied health professionals (PT, OT, PA, AT), as reported by the Virginia Department of Health Professions

Health Outcomes and Health Factors

These data will be obtained from the RW Johnson Foundation *County Health Rankings and Reports*:

- Reduction in premature deaths¹⁰
- Reduction in adult obesity
- Reduction in preventable hospital stays
- Reduction in the number of poor physical health days
- Reduction in the ratio of primary care physicians per patient
- Reduction in the ratio of mental health providers per patient
- Reduction in incidence of obesity, diabetes, alcohol and drug addiction

Economic Outcomes

- Increase in Median Household Income¹¹
- Reduction in percent of persons living in poverty
- Reduction in unemployment¹²
- Increase in the number of private medical practices in the 11 counties and cities
- Increase in the number of other health service provider businesses in the counties and cities

As we move forward with Phase 1, we will refine the metrics and associated data sources.

¹⁰ As measured by www.countyhealthrankings.org, A Robert Wood Johnson Foundation program

¹¹ Source U.S. Census Bureau; State and County QuickFacts.

¹² *Ibid.*

5—A VIRTUAL, COLLABORATIVE HEALTH SCIENCE CENTER STRATEGY

EVOLUTION OF THE IDEA

This is an initiative to create a completely new, non-traditional kind of *academic health (science) center*—a *virtual, distributed and collaborative* model that is custom-designed for Southwest Virginia—to most pragmatically and efficiently:

- Take advantage of existing health-related and education assets in and near the region
- Build missing pieces to achieve, over time, comprehensive *academic health center assets*
- Engage alliance partners in delivery of the various accredited programs
- As logic dictates, provide services in multiple locations—not necessarily a single campus.

Where We Started

The local leadership that forms the Alliance for Rural Health of Southwest Virginia originally had conceived the idea of creating a *Medical School* in the region—as the means to produce more primary care physicians to serve the increasingly unmet needs of the population.

As a result of considerable thinking, study, and dialogue, three realities intervened:

- **Creation of a new free-standing Medical School is a politically difficult and a very costly initial and ongoing long-term investment.**
Chances of obtaining the significant levels of public and private support that would be required to create a properly-funded new institution—especially in current economic conditions—are not good. Even if feasible to launch, it could be many years before meaningful impact on the region's health could be realized.
- **Even if achieved, a Medical School alone would not meet all the region's needs; a full array of health professionals is required to serve the population's needs.**
The region needs everything—nurses, allied health professionals, pharmacists, physical therapists, dentists, optometrists, and diagnostic lab technicians.
- **Even comprehensive health professions education is not enough. We also must connect education with clinical care innovations and devise ways to encourage rural practice among graduates.**
Different, flexible, innovative delivery solutions are needed to address specific health risks in the region. Also, health-based businesses will be encouraged, including medical practices.

What We Really Need to Create—A Collaborative Health Science Center

In short, what Southwest Virginia needs is more than a medical school. Southwest Virginia needs to approximate the capabilities of a **comprehensive academic health center**—with the range of programs to augment the region's existing clinical health systems with professional education, selected research, and related, specialized and innovative clinical programs. In the ideal, the core health-related programs also will be joined with two more elements: *Business Entrepreneurship Support* and *Workforce Development*.

The traditional model—an accredited institution, composed of a set of academic, research, and clinical programs—is not feasible. We thus have invented a pragmatic, realistic, and customized approach—a distributed, partnership model by which to achieve our innovative *Collaborative Health Science Center*.

This strategy differs in one important respect from the adjacent definition. We are not proposing to actually create a new accredited institution. Rather, this strategy will be *coordinated* through the partnership entity, but individual degree programs will be accredited and the degrees will be conferred by the academic institution partners.

Academic Health Center—Definition

An academic health center is defined as an accredited, degree-granting institution of higher education that consists of:

- A medical school (either allopathic or osteopathic)
- One or more other health professions schools or programs (e.g., Allied Health Sciences, Dentistry, Graduate Studies, Nursing, Pharmacy, Public Health, Veterinary Medicine)
- An owned or affiliated relationship with a teaching hospital, health system, or other organized health care provider.

Academic health centers may be private or public institutions; they may also be university-based or free-standing. As they have evolved over the last 50 years, academic health centers have changed the nature of education in the health professions, prompted new arrangements for the delivery of health care, accelerated growth of federal involvement and influence in health professions education and research, and created new linkages between academe and all sectors of the economy.



Association of Academic Health Centers

Leading institutions that serve society

Two Main Organization Models

There is a perception that a wide variety of academic health center organizational models abound, when in fact only two prototypical models have dominated over the last decades: (1) the fully integrated model, where academic, clinical and research functions report to one person and one board of directors; and (2) the split / splintered model, where the academic and clinical / health system operations are managed by two or more individuals reporting to different governing boards. The latter is best exemplified by a defined affiliated relationship between a medical school and a teaching hospital. Obviously, there are various nuances of the two types, including locating the responsibility for a faculty practice plan.

Steven A. Wartman, MD, PhD, *The Academic Health Center: Evolving Organizational Models*, Association of Academic Health Centers, http://aaahci.org/policy/reddot/AAHC_Evolving_Organizational_Models.pdf

Appendix B.4 provides examples of US Academic Health (Sciences) Centers.



FIVE INTEGRATED PROGRAM STRATEGIES FOR PHASE 1 (2015 – 2020)

To begin assembling parts of our *Collaborative Health Science Center*, The Alliance for Rural Health proposes to launch an aggressive first phase of this permanent initiative with five integrated program strategies—all supported by Strategy 6—two aspects of critical infrastructure—a proper governance entity and the *Collaborative Health Science Center* headquarters facility.

Strategy 1—Physician Education

- **Undergraduate Medical Education.** Establish rotations for students in their 3rd and 4th years of medical school in the region’s clinical facilities
- **Graduate Medical Education-Residencies and Fellowships.** Increase greatly residencies in the region’s clinical facilities
- **Continuing Medical Education.** Begin CME programs for the region’s practicing physicians.

Strategy 2—New Allied Health Professions Programs

- **Physical Therapy, Occupational Therapy, and Physician’s Assistant.** Implement these new local degree programs, building new program capacities at graduate program levels
- **Optometry.** Establish the Doctor of Optometry program that is being planned
- **Inter-Professional Education.** Use contemporary multi-professional clinical education modes

Strategy 3—Clinical Care (Targeted Clinical Services for Special Problems)

- **Special Clinical Care Solutions.** Develop and implement / expand specialized services to address the greatest health threats of the population, e.g. obesity, diabetes, and addictions

Strategy 4—Ancillary Service and Engagement Programs

- **Physician Welcome / Recruitment Program.** Develop community support activities to welcome rotating medical students and residents into the communities
- **Student Engagement Programs—Health Education and Communication.** Lead programs that engage the region’s students in supporting community health initiatives, including more outreach services for education, prevention, and wellness

Strategy 5—Business Development and Workforce Development

- **Business / Practice Management Program—Physicians.** Business / Practice Management Program—Physicians. Provide practice management / operations education for new doctors and motivate them to join and maintain practices in the region
- **Business Entrepreneurship Support—Other Health Services.** Provide entrepreneurship and practice model education for other providers who could launch health-related businesses in the region’s communities, and generally support connections with all business development.
- **Connections to Education, Job Skills Training, and Social Services.** Establish collaborations with community colleges and other agencies by which to connect patients with education / job skills services and social services, as needed—making them job-ready.

Strategy 6—Two Needed “Infrastructure” Elements

To make this innovative, distributed model work, both for Phase 1 and for the long term, we need:

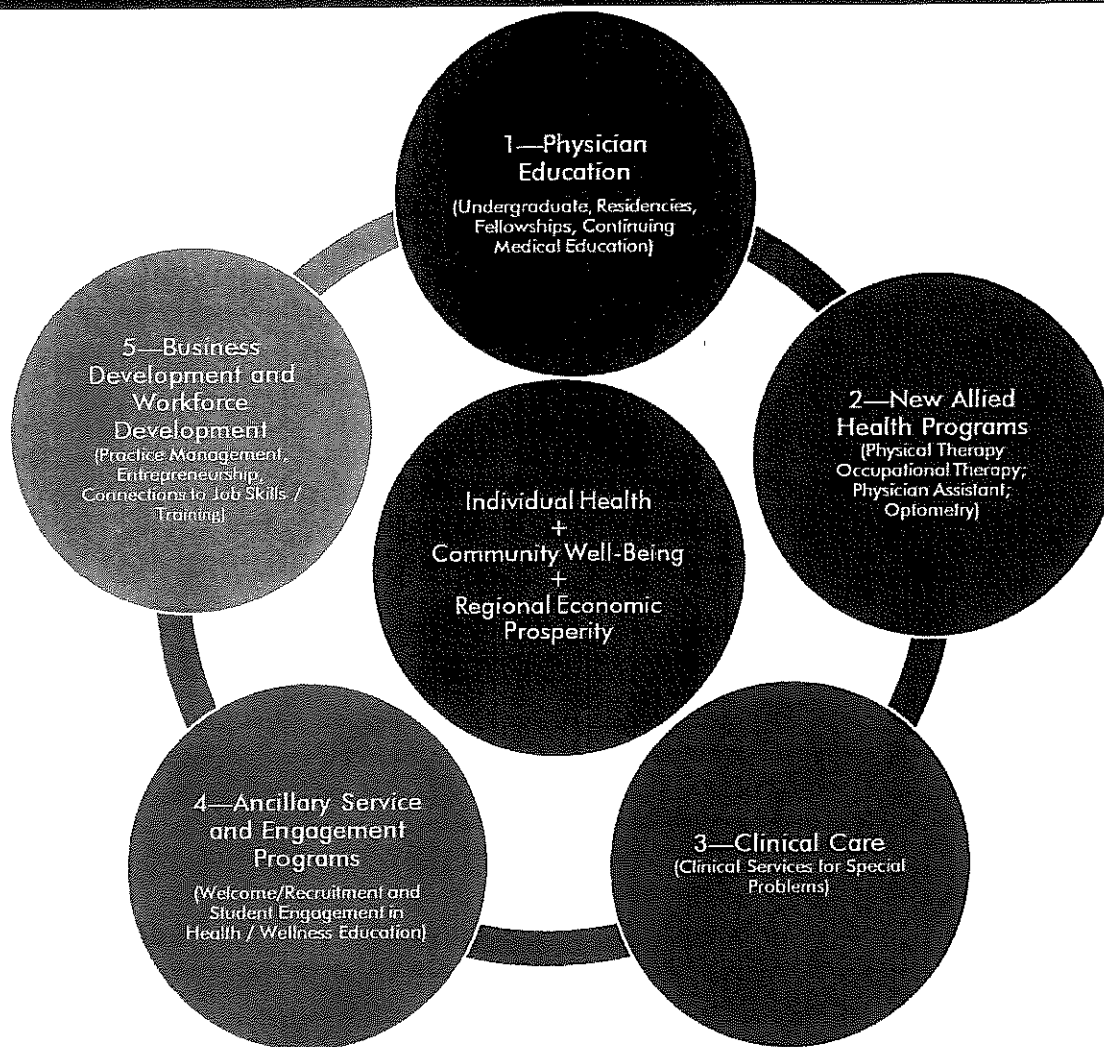
- **Governance / Alliance Entity**
An organization entity to serve as coordination, fundraising, and operating entity.
This is the Alliance for Rural Health of Southwest Virginia, a revision of the existing entity.
- **New Headquarters Facility**
A new, multi-purpose integrated headquarters facility.
In addition to existing clinical facilities and sites in the region, a new state-of-the-art facility in Abingdon will include spaces for professional education, clinical services, civic activities, medical training, research and business spaces that support the above strategies.

The new Abingdon Campus facility will serve as the headquarters for the *Academic Health Center of Southwest Virginia.*

This is very much what was envisioned as a bricks-and-mortar presence in the 2009 *Blueprint* of the Southwest Virginia Health Authority.

AN INNOVATIVE MODEL FOR
A COMPREHENSIVE, DISTRIBUTED *COLLABORATIVE HEALTH SCIENCE CENTER*
FOR SOUTHWEST VIRGINIA

GOVERNANCE: Alliance Organization Model
Develop and Manage the Collaborations and Operate the New Abingdon Facility
Primary and Additional Program Partners
Funding Partners
Community Leadership—Health Organizations and Civic Leaders



NEW HEADQUARTERS FACILITY:
A NEW, MULTI-FUNCTION HEADQUARTERS BUILDING IN ABINGDON
EDUCATION, RESEARCH, SPECIALIZED CLINICAL, AND BUSINESS SUPPORT FUNCTIONS



Advanced Practice Practitioner Education

Two categories of professionals—Physician Assistants and Nurse Practitioners—have taken on particularly key roles in health care delivery.

To succeed in delivering quality care in a value-based purchasing environment, all providers must practice to the top of their license. This phenomenon both allows and requires the Advanced Practice Practitioner (APP) to be an active member of the health care team, freeing up the MD or OD to focus on the more complicated patients.

A Master's Physician Assistant Program is among the new programs that Emory & Henry School of Health Sciences has planned for Phase 1.

We are considering Nursing programs for future phases, as we need some more assessment of assets and needs.

MSHA currently partners with ETSU's Nurse Practitioner program. Old Dominion University offers a Nurse Practitioner program via the Higher Education Center.

FUTURE PHASES AND PROGRAMS

The region's planning leadership is well aware that there are other needs, not addressed by the Phase 1 program strategies that may be needed if we are to truly solve the health crisis, and thus enable economic development in the region. It is necessary for us to start with Medical Education and other selected programs. But work will include ongoing planning and implementation, as well as ongoing measurement of improvements in health and economic outcomes. Specifically, needs in Nursing, Pharmacy, Dentistry, and additional Allied Health programs remain to be studied, and solutions will be developed during Phase 1 for implementation as planning and resources permit. *Additional Program Partners* are likely to be added. A few comments follow.

Nursing

Associate-level and licensing programs are offered through the Tri-College Nursing Program. UVA-Wise College offers the BSN. There are graduate and specialized Nursing programs offered by Old Dominion University and Virginia Commonwealth University at the Southwest Virginia Higher Education Center in Abingdon. Nursing also is available, at all levels, at ETSU.

We need to investigate enrollments and completions—and determine what unmet demand may exist—either in terms of new programs or in terms of recruiting more students into existing programs. For example, significant expansion of the number of Nurse Practitioners may be needed.

Dentistry

The data (in Chapter 3) show an appalling patient load per dentist in the region. We know that poor dentition is a major health problem. Stone Mountain Health Services and Southwest Virginia Health Systems both provide various dental services, including emergency treatments.

ETSU and others have studied the idea of launching a School of Dentistry, but there are challenges. At present, the only program in the Commonwealth is the School of Dentistry at Virginia Commonwealth University. Dental Hygiene is offered by ETSU and Wytheville Community College. We may review the idea of a School of Dentistry, but we also will examine the possibility that we can achieve more dentists in the region by emulating the model that will be implemented for Medical Education in Phase 1—that is, training residents who attend schools of dentistry elsewhere. This subject requires further study.

Pharmacy

A recent trend in providing the highest standard of care is to include pharmacists in the treatment regimen. The increasingly complex nature of pharmaceutical treatments means that clinical pharmacists have a growing role in patient care and should be incorporated into the inter-professional treatment team. Through the *Collaborative Health Science Center* model, we intend to grow the number of pharmacy students training in the region, with a particular emphasis on providing a solid clinical experience for the students, with the goal that not only are they better trained, but that, upon graduation, they seek out clinical appointments and/or start businesses within the region.

In and near the region are Appalachian College of Pharmacy (ACP) in Oakwood, VA and the Bill Gatton College of Pharmacy at ETSU in Johnson City. MSHA already has relationships with both.

Pharmacy strategies will be planned during Phase 1 and implemented as soon as is feasible. We need to study further what the needs are for pharmacists and pharmacy assistants. We also may need to study innovative care delivery methods being tested elsewhere. Pharmacy also needs evaluation from the perspective of potential business development.

Additional Allied Health Programs

Emory & Henry will be considering additional post-Phase 1 programs, perhaps such as speech language pathology and nurse anesthesia. We must conduct more detailed evaluation of existing programs and the supply they are creating, versus demand.

Community Health Educators

One idea that we wish to explore is programs to prepare Community Health Educators. This is a new concept that is growing in popularity. The idea is that personnel who are trained at the level of Medical Assistant and who are truly on the "front lines" in patient relationships can be given more tools and more responsibility to work on patient education. This may help advance prevention with high-risk populations.

Population Health Research and Targeted Clinical Research

We do not anticipate establishment of a broad-based research program that would include a wide range of basic science, clinical, and policy research. It is not the mission of our *Academic Health Center* to become a pre-eminent research institution.

However, we do believe that certain targeted research programs in Population Health factors that particularly affect the region are needed—as well as their translation into practice as rapidly and pragmatically as possible. And clinical research on specific problems that affect our population also would help us design responses.

The Emory & Henry School of Health Sciences anticipates a targeted research program in obesity, and to that end has recently hired Dr. Theodore Angelopoulos, an internationally known expert in obesity.

At present, more information and plans need to be developed for the research component of the *Collaborative Health Science Center*.

This will be a function housed in the Headquarters facility in Abingdon, and it may be among the reasons to expand our Program Partners. It is important that the Abingdon facility can create a neutral ground and a host location, to make it feasible or easier for institutions to implant programs in the region.

6—THE PHASE 1 PROGRAMS

The main programs for early implementation in Phase 1 and the sites / facilities where they will be offered (where applicable) are organized into:

- Physician Education
- Allied Health Professions Programs
- Ancillary Service and Engagement Programs
- Business Development and Workforce Development Programs.

STRATEGY 1—PHYSICIAN EDUCATION

Program Overview

The foundation of the *Collaborative Health Science Center* is the education and training of physicians. Our approach includes educating and training physicians—in the region—in the following phases of their careers:

1. Undergraduate Medical Education (3rd and 4th year clinical training)
2. Graduate Medical Education (Residencies)
3. Fellowships (Post Residency)
4. Continuing Medical Education.

It is well known that providers often decide to stay where their training terminates—setting up practices or employment after their residency or fellowship. Also, the duration of the new physician's exposure to rural health practice in communities like ours makes a difference. Rotations of only a few months are less likely to induce them to be interested in remaining in the region; there is more success with programs that include longer, e.g. six to 12 month stays, in the region.

By offering opportunities in each stage of a physician's career, our strategy grants these practitioners more exposure to Southwest Virginia, and thus significantly increases the likelihood that many will choose to remain in the region for their medical careers. This is critical to addressing the shortage of physicians, which undermines our abilities to solve health care issues plaguing the residents of our region. The best way to recruit new physicians into our region is to train them here, to welcome them to the community, and make them a part of our community.

Academic and Clinical Partners

Two factors are critical to the achievement of the ultimate goal:

1. Health care partners with the significant clinical resources to provide:
 - A wealth of patient exposures to students in their third and fourth years of medical school
 - Available residency slots for graduate medical education.
2. Medical schools participating in the program, with medical students who are potentially interested in practicing rural medicine.

By utilizing resources inside and on the cusp of our region, we have brought together critical ingredients for success.

- Edward Via College of Osteopathic Medicine (VCOM)
The Edward Via College of Osteopathic Medicine is well known for training osteopaths in rural medicine, primarily for family practice.
- Quillen College of Medicine, East Tennessee State University (ETSU/Quillen)
ETSU's Quillen College of Medicine is nationally known for its focus in rural medicine in training allopathic medical students.

Inter-professional Education

Important to the training philosophy is the concept that physicians lead the health care team and allied health practitioners represent all the different critical parts of the team.

To successfully build an effective population health management program, we intend to focus on inter professional education—using a team based, collaborative approach where the physicians and other health care professionals work in tandem, to become more effective in their integrated roles.

This section discusses *Physician Education*. But the Allied Health and other programs offered by Emory & Henry College's School of Health Sciences, ETSU, and the region's three community colleges, will be engaged with the physicians in Interprofessional Education. Those discussions follow in this chapter.



- Mountain States Health Alliance (MSHA)
MSHA, with Johnston Memorial Hospital as the lead Virginia hospital, is the exclusive integrated health system partner for the project. MSHA has significant tertiary care resources available with which to train and expose the medical students to a host of patient experiences during their third and fourth year of medical school. MSHA is developing a significant number of residencies that will begin in 2015.
- Stone Mountain Health Services (SMHS)
SMHS is one of the leading health care providers with clinics throughout the region, and has extensive experience in treating patients with the many health problems that are disparately affecting our population. SMHS can provide needed ambulatory care experiences for the medical students, both in their third and fourth year and during their residencies.

1. Undergraduate Medical Education—(3rd / 4th Year Clinical Training)

Increase rotations for students in their 3rd and 4th year of medical training.

MSHA will provide the core of the clinical training experiences for third and fourth year medical students, which is a key component to the development of medical education, and exposure to the region. An important component of the clinical rotation experience is that it allows the residency programs to get to know the undergraduate students and to begin the recruiting process early. Students who spend both their clinical training experience and residency time in the region are significantly more likely to locate here. Unique to this initiative is MSHA's desire to have a mixture of osteopathic and allopathic students in their hospitals, which promotes diversity of thought and collegial relationships between these two medical school organizations. Fourth year students from schools outside the immediate region allow the Graduate Medical Program to attract top students from other schools for audition rotations designed to recruit these top tier students.

Academic Health Center of Southwest Virginia
Undergraduate Medical Education Projected Students, and Cumulative Program
Participants: 2015 through 2019

Medical Student Cohorts	2015	2016	2017	2018	2019
Third Year Students					
VCOM 3 rd year students	25	30	30	30	30
ETSU 3 rd year students	0	0	5	10	10
<i>Subtotal—Third Year Students</i>	<i>25</i>	<i>30</i>	<i>35</i>	<i>40</i>	<i>40</i>
Fourth Year Students					
VCOM 4 th year students	5	10	10	10	10
ETSU 4 th year students	0	0	0	5	5
UVA / Other 4 th year students	5	10	10	10	10
<i>Subtotal—Fourth Year Students</i>	<i>10</i>	<i>20</i>	<i>20</i>	<i>25</i>	<i>25</i>
Total Medical Students per Year	35	50	55	65	65
Cumulative Medical Students in Rotations	35	85	140	205	270

Source: Data provided by Mountain States Health Alliances, clinical partner for 3rd and 4th year medical student clinical rotations.

2. Graduate Medical Education (Residencies)

Facilitate the establishment of Graduate Medical Education Residencies in the region by creating a collaborative clinical training and education site.

MSHA will work with VCOM and ETSU / Quillen to start two new residencies: Family Medicine and Internal Medicine. Additional residencies with UVA are in discussion.

Family Medicine and Internal Medicine are two of the most needed types of physicians in the region. The significant expansion of these residency slots is critical to attainment of the ultimate goal—reducing the acute and growing primary care physician shortage.

Residencies in Family Medicine

Family Medicine physicians will form the foundation of the primary care delivery system by 2020 and they will be the leaders of the delivery team that will improve population health. The first class of six residents will graduate in June 2018.

Residencies in Internal Medicine

Internal Medicine physicians will form the foundation of hospital care and outpatient specialty care. The first class of four will graduate in June 2019.

3. Fellowships (Post Residency)

In addition, MSHA and its academic partners are planning fellowships in the same two fields.

Fellowships in Family Medicine

Fellowships will focus on clinical areas needing coverage in the region. Among the needs are rural Emergency Medicine, Geriatrics and Addiction Medicine.

Family Medicine fellowships typically last 12 months and significantly improve the quality of the Family Medicine residency. They prepare new Family Medicine graduates to excel in rural areas that lack the specialist support found in more populous regions.

Fellowships in Internal Medicine

Internal Medicine fellowships will focus on areas critical for population health management such as Endocrinology, Pulmonology and Cardiology. Fellowships typically last two years and strengthen the Internal Medicine residency.

4. Continuing Medical Education (CME)

Establish a program to improve patient safety and quality of care through Continuing Medical Education for the region's practicing physicians and resident education.

Our Collaborative Health Science Center also will focus on providing Continuing Medical Education (CME) for currently licensed and practicing physicians. CME programs will be designed

Academic Health Center of Southwest Virginia
 Graduate Medical Education (GME) Projected Program Participants,
 Faculty/Staff, and Cumulative Program Graduates: 2016 through 2020

Program	2016	2017	2018	2019	2020
I. RESIDENCIES					
A. Family Medicine Residency (3-Year Program)					
Total Residents	6	12	18	18	18
Annual Graduates	0	0	0	6	6
Faculty	2	4	6	6	6
Staff	1	2	3	3	3
Total Faculty / Staff	3	6	9	9	9
Cumulative Graduates	0	0	0	6	12
B. Internal Medicine Residency (3-Year Program)					
Total Residents	0	4	8	12	12
Annual Graduates	0	0	0	0	4
Faculty	1	1	2	3	3
Staff	1	1	1	2	2
Total Faculty / Staff	2	2	3	5	5
Cumulative Graduates	0	0	0	0	4
II. FELLOWSHIPS					
A. Family Medicine Fellowships (1-Year Program)					
Total Fellows	1	3	5	6	6
Annual Graduates	0	1	3	5	6
Faculty	1	2	2	3	3
Staff	0	1	1	1	1
Total Faculty / Staff	1	3	3	4	4
Cumulative Graduates	0	1	4	9	15
B. Internal Medicine Fellowships (2-Year Program)					
Total Fellows	0	2	4	5	6
Annual Graduates	0	0	0	2	4
Faculty	0	1	2	3	3
Staff	0	1	1	1	1
Total Faculty / Staff	0	2	3	4	4
Cumulative Graduates	0	0	0	2	6
III. TOTALS—ALL FOUR GME PROGRAMS					
Total Participants	7	21	35	41	42
Total Faculty / Staff	6	13	18	22	22
Total Cumulative Graduates	0	1	4	17	37

Source: Data provided by Mountain States Health Alliances, clinical partner for GME programs.



and delivered that offer physicians the most current information, skills, and strategies they need to continue to deliver safe, high-quality care. These short-format educational programs will help our region's physicians maintain, develop, and increase their knowledge, skills, and professional performance. The Simulation Center will provide one of many opportunities for physicians to learn and train on state of the art health care delivery techniques.

STRATEGY 2—ALLIED HEALTH PROFESSIONS PROGRAMS

School of Health Sciences, Emory & Henry—Overview

The Emory & Henry School of Health Sciences prepares students for careers as allied health care professionals, with a focus on rural health care.

Undergraduate Programs. Existing E&H programs in **Pre-Health and Athletic Training** are offered at the Main Campus in Emory, VA. They and College's new graduate health care programs are part of the distributed model for the *Collaborative Health Science Center*. The graduate programs will be offered in Marion and in Grundy.

- **Doctor of Physical Therapy.** The Doctor of Physical Therapy (DPT) program is on track to launch its inaugural class in January 2015. This three-year program will enroll cohorts of 32 students annually.
- **Master's of Occupational Therapy.** This program also is in early planning. The target start date is June 2016 and cohorts of 32 to 40 students are planned.
- **Master's of Physician Assistant Studies.** This program is the last of the three major new programs that will be brought on line. The target start date is July 2017 and cohorts of 32 to 40 students are planned.
- **Doctor of Optometry.** E&H is also currently pursuing accreditation for Doctor of Optometry program, which will be housed on the College's Grundy campus. This program is slated to enroll 40 students annually with a target start date of Fall 2016.

When they reach mature capacity, the programs are expected to have enrollments, and produce completed degrees as shown in the table. By the tenth year, the programs will have provided nearly 900 new health professionals, and hopefully most will remain in the region.

Emory & Henry School of Health Sciences and School of Optometry
Projections of Enrollments and Degrees / Completions for the First 10 Years

Program	Program Duration	Location	Year 1		Year 2		Year 3		Year 4		Year 5	
			Enrolled	Completed	Enrolled	Completed	Enrolled	Completed	Enrolled	Completed	Enrolled	Completed
Doctor of Physical Therapy	3 years	Marion	32	0	64		96	32	96	32	96	32
Master of Occupational Therapy	2 years	Marion	--	--	--	--	32	--	64	32	64	32
Master of Physician Assistant	2 years	Marion	--	--	--	--	--	--	32	--	64	32
Doctor of Optometry	4 years	Grundy	--	--	--	--	40	--	80	--	120	--
Annual Total—All Four Programs			32	0	64	0	168	32	272	64	344	96
Cumulative Total—All Four Programs						0		32		96		192

Program	Program Duration	Location	Year 6		Year 7		Year 8		Year 9		Year 10	
			Enrolled	Completed	Enrolled	Completed	Enrolled	Completed	Enrolled	Completed	Enrolled	Completed
Doctor of Physical Therapy	3 years	Marion	96	32	96	32	96	32	96	32	96	32
Master of Occupational Therapy	2 years	Marion	64	32	64	32	64	32	64	32	64	32
Master of Physician Assistant	2 years	Marion	64	32	64	32	64	32	64	32	64	32
Doctor of Optometry	4 years	Grundy	160	40	160	40	160	40	160	40	160	40
Total—All Four Programs			384	136	384	136	384	136	384	136	384	136
Cumulative Total—All Four Programs				328		464		600		736		872

Source: Office of the Dean, School of Health Sciences, Emory & Henry College

School of Health Sciences

Doctor of Physical Therapy

The Doctor of Physical Therapy (DPT) is a three year graduate program that includes both classroom and clinical education components. Students will complete part-time clinical rotations, referred to as clinical immersions, in local and regional health care facilities. The clinical education portion of the curriculum provides opportunities for students to refine learned skills/behaviors and apply them in various clinical practice settings. Under supervision and instruction from a physical therapist clinical instructor, students will work directly with patients, their families, and other members of the healthcare team in a variety of clinical settings. During the third year of the program, students will three complete full-time clinical internships. It is expected that students will progress toward greater independence and improved consistency/efficiency with performance in increasingly complex environments and patient populations. By the end of the final clinical education course, students will be functioning at, or beyond, the level of an entry-level physical therapist. Both the clinical immersions and internships will include planned opportunities for students to observe and practice patient-centered care delivered via multidisciplinary, inter-professional teams.

The DPT students will also participate in multiple community outreach programs designed to further integrate them into the local and regional communities. These outreach programs will focus on results-oriented prevention and intervention initiatives for select health conditions common to the Southwest Virginia (obesity, diabetes, heart disease).

The Emory & Henry DPT program is pursuing accreditation from the Commission on Accreditation of Physical Therapy Education (CAPTE). The College is slated to enroll its first cohort of 32 students in January 2015. By the spring of 2017, the DPT program will have enrolled 96 physical therapy students, with the first 32 students scheduled to graduate in December 2017.

Master of Occupational Therapy

Emory & Henry College plans to pursue accreditation from the Accreditation Council for Occupational Therapy Education (ACOTE) for its new Master of Occupational Therapy (MOT) program. The MOT program, which is planned to begin in August 2016, will prepare students to treat injured, ill and disabled patients across the lifespan with a focus on restoring function and returning them to their normal activities of daily living and their work. Like the DPT students, the MOT students will complete intensive clinical education rotations and community outreach initiatives. Cohort sizes of this 2-year program are expected to range from 32 to 40 each year.

Physician Assistant (Master's)

Emory & Henry College is currently planning a Master of Physician Assistant Studies that will prepare students to function as primary care physician assistants, with a focus on clinical settings in rural and medically underserved areas. Emory & Henry is currently pursuing accreditation from the Accreditation Review Commission on Education for the Physician Assistant (ARC-PA) and is scheduled for an on-campus site visit in December 2016. The MPAS will admit cohorts of 32-40 students, with the inaugural class planned to begin in June 2017.

Doctor of Optometry

E&H has entered into an agreement with the Appalachian College of Optometry to work together to develop a school of optometry in Grundy, which will be called the Emory & Henry School of Optometry. The College's program is a "first stage applicant" in the pursuit of initial accreditation by the Accreditation Council for Optometric Education (ACOE). The first class would begin in Fall 2016. The School of Optometry would participate in the Alliance for Rural Health in several ways:

- a Clinical rotations in federally qualified health clinics
- a Inter-professional training in concert with the E&H School of Health Sciences

Emory & Henry School of Health Sciences and School of Optometry		
Projections of Faculty / Staff Positions—First 10 Years		
	Year 1	Year 5+ / Stable
Faculty—DPT	5	10
Faculty—OPT	4	10
Faculty—PA	4	10
<i>Subtotal—Sch of Health Sciences</i>		30
Faculty—Optometry	6	12
Total Faculty	6	42
School Staff		5 - 10



- Garnering support from the Buchanan County IDA and VCEDA for possible clinics in other disciplines and other rural health care initiatives.

Inter-Professional Education (IPE)

Inter-Professional Education in Health Professions—Definition

"Interprofessional education occurs when two or more professions learn about, from and with each other to enable effective collaboration and improve health outcomes."

World Health Organization, 2010

Importance

"All health professionals should be educated to deliver patient-centered care as members of an interdisciplinary team, emphasizing evidence-based practice, quality improvement approaches, and informatics."

Institute of Medicine, 2003

Changes in health care policy have led to an emergence of new health care delivery models that focus on patient-centered care, improved patient outcomes, and reduced health care costs—achieved in part by all providers working to the top of their licensure. In 2003, the Institute of Medicine (IOM) reported that patient-centered care could be delivered most effectively through interdisciplinary healthcare teams. Subsequent research has shown that health care delivery via interdisciplinary or multidisciplinary teams has produced better patient outcomes. However, in order for health care professionals to function effectively in collaborative, inter-professional practice (IPP), they must be trained in a culture of inter-professional education (IPE).

This new emphasis on IPE and IPP is becoming a challenge as, all across the country, health science colleges and schools must revise their curricula to integrate this collaborative model. This means tearing down the territorial silos and trying to get the individual health professions programs to develop cross-disciplinary coursework and learning opportunities.

The Emory & Henry School of Health Sciences has a significant advantage in this area. As a new school, we are in a position to build a collaborative culture from the start that incorporates IPE across all of our health professions education programs, with a special emphasis on rural health care.

In addition to didactic and clinical education related to IPE and IPP, the Emory & Henry School of Health Sciences will incorporate the use of standardized patients to provide real-world experience in providing patient-centered health care via multidisciplinary teams. Standardized patients are individuals who are trained to portray a real patient in order to simulate the clinical presentation (i.e., signs and symptoms) of a specific health condition. The standardized patient encounters will emphasize patient characteristics and health care conditions common to rural, Southwest Virginia.

Integration of third and fourth year medical students from the partner medical schools into the rural based standardized patient encounters will further enhance their ability to address rural health care issues while also learning to work collaboratively through inter-professional teams to develop patient care plans.

The Affordable Care Act (ACA) has placed an increased emphasis on prevention, health & wellness, and primary care (which includes Physician Assistants). Allied health care professionals (i.e., physical therapists, occupational therapists, and athletic trainers) are highly trained in the areas of prevention and health and wellness. For this reason, the allied health professionals prepared by the Emory & Henry School of Health Professions will be positioned to make significant contributions to the health care delivery systems in Southwest Virginia and beyond.

Two New Campuses / Facilities

Marion Campus / Facilities for the School of Health Sciences

In 2011, Smyth County Community Hospital donated two buildings on the campus of the prior hospital to E&H College for the Doctor of Physical Therapy program. The budget for the start-up of the DPT program was originally based upon one year of start-up costs and three years of operations until the first cohort of students graduated. Due to a delay in the start of the DPT program, the start-up expenses actually have spanned a three year period, which started in August 2011 with the hiring of its first DPT Program Director.

The start-up costs for FYs 2011-2013 focused on the hiring of key personnel and the renovation and equipping of the DPT Building in Marion, Virginia. The College has obtained \$1.32 MM in external grants and donations to assist with the start-up costs (construction and operations) for the

DPT program alone thus far, which is part of \$19.9 MM in cash and assets that has been donated for the development of the School of Health Sciences.

The College received a grant of \$620,000 from the Virginia Tobacco Commission (\$250,000 for construction and \$370,000 for equipment) and a \$600,000 match from local sources, which included \$500,000 from the Smyth County Community Foundation, \$50,000 from the Town of Marion, and \$50,000 from the Smyth County Supervisors. An Enterprise Zone grant of \$100,000 assisted with construction costs, and E&H received a donation of \$50,000 for the purchase of equipment for the Gait Analysis Lab. These grants have supported the purchase of equipment and furniture for the DPT Building.

The renovation of the first building, including a gross anatomy lab, was completed in December 2012 at a cost of \$1,532,806. Salaries and operating expenses up through 2012 totaled \$369,250.

In July 2013, the College also received a \$300,000 grant from the Tobacco Commission, matched by \$300,000 from local sources (\$100,000 each from the Town of Marion, Smyth County, and the Smyth County Community Foundation) for the search and initial salary for the founding dean of the E&H School of Health Sciences.

On January 1, 2014, the College accepted the donation of the former Smyth County Hospital campus, which includes 12.5 acres and a 140,000 SF former hospital with an appraised value of \$12.5 MM (see Appendix B.8 for the appraisal summary).



Although the renovated DPT building will provide adequate space for the DPT program, E&H plans to begin renovation of the former hospital building by developing 14,200 SF of for additional classroom / lab spaces to support the DPT program, as well as the other planned health sciences programs (i.e., OT, PA). This renovation will be completed with the assistance of a \$500,000 grant from the Appalachian Regional Commission (ARC), for which we are now in the contract negotiation phase.

The former main hospital building has been thoroughly studied by C.B. Richard Ellis, an architectural and engineering firm experienced in retro-fitting former hospitals, and it has been deemed structurally sound and worth renovating.

We are using a design-build model for most of the hospital renovation under the leadership of Branch and Associates. (The portion relate to the ARC grant is being handled with a hard bid process in order to comply with ARC regulations). We have chosen an architectural and engineering firm, RRMM Architects in Roanoke, VA, for the first \$9 MM phase of what will be an \$18 to 20 MM total renovation project. A preliminary capital budget and construction schedule is provided in Chapter 9—Funding Strategies.

Grundy Campus / Facilities for the School of Optometry

The Optometry School would be located in a three-story, 38,000-square-foot facility with classrooms, seminar rooms and office space. To date, \$11.6 MM has been dedicated to the project, including \$6 MM from the Buchanan County Board of Supervisors to cover operating costs during the initial phases of development and \$5.6 MM from the Coalfield Economic Development Authority for capital improvements of real estate, new construction and equipment purchases. The money from both groups is allocated by the Buchanan County Industrial Development Authority, which provided the initial leadership for the project.

STRATEGY 3—TARGETED CLINICAL PROGRAMS

An integral part of any academic health care strategy includes access to sufficient clinical resources for the health professional students to be exposed to. Not only will the existing resources and clinics in the region be utilized, but we also plan to develop certain targeted clinics. These clinics serve three very critical purposes: First, they provide access for both the undergraduate medical students and residents to train in, and be exposed to, patients in a true clinical setting. Second, they provide an opportunity for the delivery of health care directly to the patients. Finally, they create additional jobs for the faculty, staff and health care practitioners.

Clinic of 2030—Continuity of Care

We are developing plans to create a model clinic that will provide for outpatient care in a delivery model that is necessary to have a significant and meaningful impact on population health. This clinic will serve as the major outpatient teaching site for medical education, for undergraduate medical students, residents, and other health care professionals.

For example, residents will provide ongoing continuity care for their own panel of patients under the supervision of experienced academic general internists. Before each clinic session, residents will participate in a pre-clinic conference, led by both a peer teacher and a core faculty member. With this high level of continuity, faculty can maintain quality of care and efficiency (since they also know the patients well), provide more substantive evaluations (since they observe the resident frequently over time), and precisely target their teaching (since greater continuity improves appreciation of residents' learning needs).

The patient visits will include new patients, timely post-hospitalization visits, return visits and urgent care and include a broad range of internal medicine conditions. This approach attends to students' achievement of observable, measurable developmental milestones, with data culled from various sources including direct observation (mini-CEXs), in-training exams, 360 degree evaluations, standardized patient workshops, chart-stimulated recall sessions, and informal feedback. In turn, residents and other students have the opportunity to evaluate their preceptor's teaching skills and the operations of the clinics such that there is an environment of collegial and collaborative continuous improvement.

Special Clinical Care (and Targeted Research) Solutions

Public Health Issues

The region suffers from a number of critical health threats, such as obesity, diabetes, and addictions. These have far-reaching negative impacts on our population, on our general well-being and on our economy. We intend to develop and implement (or expand) specialized services that are specifically targeted on addressing these epidemic level problems plaguing Southwest Virginia. Academic health centers are most often the primary recipient of much of the grant and other funding for such efforts, and by incorporating these clinics into the *Collaborative Health Science Center of Southwest Virginia*, we are best positioned to have a significant impact on these issues. Abingdon is a perfect "landing spot" for these programs, and will facilitate the collaboration required for such outreach efforts to have a lasting impact on the region.

Host Site for Specialized Clinical Services

In addition to having specialty clinics addressing public health threats, Abingdon also would be a model for clinical host site that would provide for outreach efforts from our regional health care partners with specialty interests like pediatrics; developmental pediatrics, etc. that show a need in the community to be addressed. These efforts have come and gone over the years with varied success, however, one important factor they lacked was having an attractive host site and someone to actively coordinate the outreach. Given the opportunity, we envision them as programs that would grow and be viable and sustainable.

STRATEGY 4—ANCILLARY SERVICE AND ENGAGEMENT PROGRAMS

Community Engagement to Advance Health and Wellness in Southwest Virginia

Appalachian Center for Civic Life at Emory & Henry College

As an integral part of the educational process at E&H, the purpose of the College's Appalachian Center for Civic Life is to be one of the means by which the College fulfills its mission of joining education with service to this place, the region, and the world. The Center enacts a relational approach to service and education, practicing a place-based model of education and service, joining classroom teaching and learning with places, to bring a range of resources to serve people and places. In all of its work, the Appalachian Center for Civic Life seeks to take seriously the life of each place, and to provide student, faculty, staff, and community partners with opportunities to acquire and sharpen the intellectual skills, civic tools, and values necessary to be effective participants in the life of their place.

Applications of the Student Service / Engagement Model in the Health Disciplines

This place-based philosophy is carried over into E&H's health education initiatives. One of the distinguishing characteristics of the DPT program will be its emphasis on student engagement projects to be carried out as part of the curriculum, for example in *DPT 860, Health Promotion and Wellness*, which will "...discuss various models of health promotion and wellness practice including cash-based, pro bono, community service and service learning."

Students in all Allied Health programs will be assessed partly on the basis of results-based service work that they perform in the Southwest Virginia communities in which they will be studying.

"Welcome to Our Community" Program for Medical Students and Residents/Fellows

At present, MSHA recruiting services and VCOM student coordination staff work to welcome medical students and doctors into the rural communities.

Adapting additional ideas from models elsewhere, such as a program operated by the University of Georgia in rural Georgia communities, we will build a more robust and well-coordinated "Welcome to Our Community" Program for future physicians. It is our intention to assist them with finding housing, spouse employment, and other services but, more, to connect them with community events and people, to invite them to participate in community life and to otherwise make them feel at home. Local governments, chambers of commerce, faith organizations, and cultural organizations will be part of these expanded efforts.

Rensselaerville Initiative

Emory & Henry's longstanding tradition of community engagement and service learning has been enhanced recently by a partnership with the Rensselaerville Institute, a national non-profit that has been involved in community development projects in Virginia through the Department of Housing and Community Development. This relationship could be an importance resource for the Alliance by providing the tools for health care workers and citizens to produce results-based healthcare initiatives at the grassroots level. (See the attached news story on this relationship, which was formalized January 15, 2014.)

In its Community Sparkplugs program, the Institute helps community leaders who have a passion for making life better. Through this program, community sparkplugs across the country have helped bring to their places clean water and other important aspects necessary for healthy, vital communities. The "Community Spark Plug" program could provide training and other resources for community leaders, entrepreneurial health care professionals, and members of education institutions to improve community health care and community wellness through grassroots sparkplug efforts sponsored by the Alliance.



STRATEGY 5—BUSINESS DEVELOPMENT AND WORKFORCE DEVELOPMENT PROGRAMS

The creation of educational and clinical training opportunities for physicians, allied health professionals, nurses and other healthcare providers, in and of itself is insufficient to properly address the burgeoning economic and health issues of the region. As noted in Virginia's *State Rural Health Plan 2013*, economy, education, ecology and culture are all integral to healthy communities. Economic well-being is a cornerstone of a healthy community. *"There is a reciprocal relationship between health and economics; for instance, priority health conditions, such as obesity-related diseases, mental/behavioral or substance abuse issues, or dental problems can lower worker productivity or prevent an individual from entering the workforce."* (p.16) Correspondingly, Strategy 2.5 of the Plan is to "Promote economic development and job creation". (p.17)

For this reason, we will collaborate with the region's community colleges, local governments, workforce agencies, and employers to pair economic opportunities with improving health.

Business Development and Entrepreneurship

Business development is another integral strategy of the Alliance for Rural Health, with the goal of economic development through the recruitment of medical and health related businesses to the region as well as assisting students who graduate from one of the many diverse medical or health care programs, and who may have entrepreneurial instincts, in establishing their own businesses after graduation.

We also hope to play an integral part—with other agencies leading—in the recruitment and retention of businesses in general. The quality of local health care resources has a favorable impact upon the decisions made by business owners who are looking to locate, expand, or relocate companies. Employers will be attracted to locate in a region with such a high talent level available. Correspondingly, wages will increase, jobs will be more attractive, and supporting businesses, such as restaurants, hotels, and other retail establishments will thrive and accordingly, the tax revenues generated for the local governments will increase.

Workforce Development, Job Skills and Employment

Workforce development plays an integral role in increasing the health and wellbeing of communities. Workforce development includes both the direct effect of creating jobs for individuals who will be employed by the Alliance for Rural Health and its partners, jobs filled by well-trained and qualified health care professionals, as well as the jobs created and improved productivity by creating a healthier workforce.

Not only is it important to create jobs within the health care arena, with well-educated and well-trained individuals to fill those jobs and to directly increase the overall wellbeing of the communities, but it is equally important to create a healthy workforce. By increasing the number and quality of healthcare professionals, there will be a direct and positive effect by creating a healthier, more productive and prosperous workforce.

In order to do so, partnerships will be explored and formed with small business incubators throughout the region, workforce development efforts of the local community colleges, and other organizations focused on workforce development.

7—THE ALLIANCE ENTITY AND PARTNERS

THE ALLIANCE FOR RURAL HEALTH—COORDINATING AGENCY

As part of Strategy 6, one of the two key ingredients for making this complex partnership strategy viable is the governance model. An existing entity will be further redefined and reorganized to represent the interests of the parties. This section provides information about the history of the not-for-profit entity that will become the Alliance and an initial governance structure. As we expect the partnerships and the alliance to expand from its initial formulation, the governance model also may be expanded or modified, as needed, to correctly represent the parties—both those served and those serving.

History of Existing Entity

- On October 31, 2011, the King School of Medicine, Inc. was formed as a Virginia non-stock corporation (SCC ID 07433758) as a wholly owned subsidiary of King College, Inc., a Tennessee non-stock, non-profit corporation, with King College, Inc.
- On May 14, 2012, King College, Inc. took action to establish King School of Medicine, Inc. as an *entity separate and apart from King College*, and subsequently, on that date, King School of Medicine, Inc. amended its *Articles of Incorporation* and *Bylaws* accordingly.
- As part of its *Amended Bylaws*, a 9-member Board of Trustees was established.
- On June 7, 2012, the King School of Medicine, Inc. elected its initial officers.
- In March 2013, the IRS granted the King School of Medicine’s non-profit status, effective October 31, 2011.
- In May 2013, the King School of Medicine established offices in the Virginia Highlands Small Business Incubator, 851 French Moore, Jr. Boulevard, Suite 173, Abingdon, Virginia 24210.
- The King School of Medicine filed, and was granted, the authority to conduct business under the name *The Southwest Virginia School of Medicine* on January 30, 2014.
- The *Southwest Virginia School of Medicine* continues to act as a Virginia 501(c)(3) non-profit charitable corporation today, with its principal business offices located in Abingdon, Virginia.

Now, Further Evolution

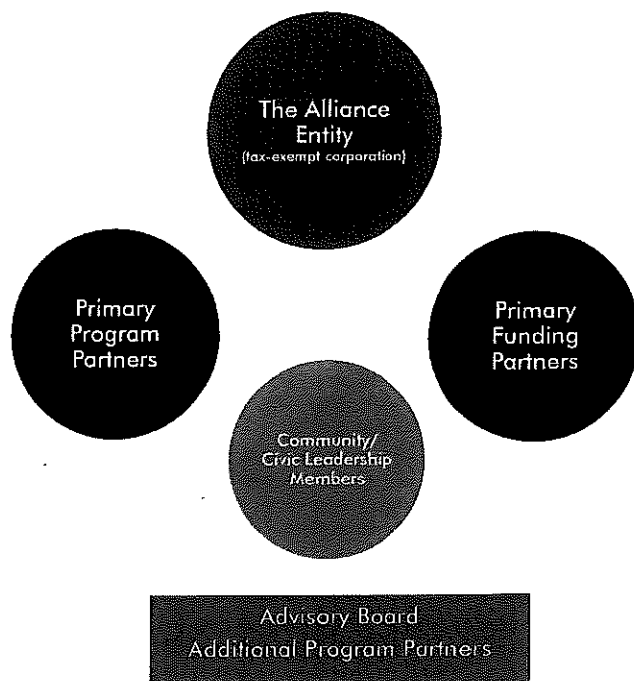
It is evident that the formation of the existing entity was predicated on the earlier idea of a medical school. Now that the concept has evolved into a *virtual, distributed academic health center*, with multiple partners, the existing tax-exempt entity will be revised and updated again, including its *Articles of Incorporation* and *Bylaws*, especially with respect to Board structure. The following material describes the currently contemplated governance model and the partners.

Please see Appendices C through G for more detailed information about all the Phase 1 partner entities and several additional and potential future partners.

New Governance / Partnership Framework

At the outset of our implementation, the distributed *Collaborative Health Science Center* will have a governance entity (revised from the current one) that will represent:

- Primary Program Partners
- Primary Funding Partners
- The Advisory Board (Additional Program and Funding Partners)
- Community / Civic Leadership (representing communities and constituencies).





VOTING MEMBERS OF THE ALLIANCE—PHASE 1

Based on the programs planned to be implemented in Phase 1 (2015 to 2020), the initial voting members of the Alliance governance entity are envisioned as follows.

Primary Program Partners

The following four *Primary Program Partners* each will have a seat (vote) on the governance entity's Board of Directors.

- Emory & Henry College (E&H College)
- East Tennessee State University, Academic Health Sciences Center (ETSU-AHSC)
- Edward Via College of Osteopathic Medicine (VCOM)
- Mountain States Health Alliance (MSHA)

Primary Program Partners provide a total of four (4) voting seats on the Board.

Advisory Board

The following *Additional Program Partners* will constitute the initial Advisory Board:

- University of Virginia School of Medicine
- Stone Mountain Health Services
- Virginia Community College System = (representing Virginia Highlands Community College; Southwest Virginia Community College; Mountain Empire Community College; Wytheville Community College, and the Tri-College Nursing Program)—or the individual colleges
- Buchanan County / Town of Grundy.

Additional Program and Funding Partners, as the Advisory Board, will collectively have one (1) voting seat on the Board.

Primary Funding Partners

- Town of Abingdon
- Town of Marion / Smyth County / Smyth County Community Foundation

These funding partners will constitute two (2) voting seats on the Board, one each.

Community Leadership Representatives

- **Civic Leaders.** For example, Chamber of Commerce, business, or community leaders
- **Health-Related Organizations.** For example, the Southwest Virginia Health Authority (SWHCA) may be represented on the Alliance Board, as may be the Southwest Virginia Area Health Education Center (SWVA AHEC).

Community Leadership Representatives provide a total of two (2) voting seats on the Board.

Total Initial Board and Advisory Board

The total Board complement will consist of nine (9) voting members as follows:

- 4 Primary Program Partners
- 2 Primary Funding Partners
- 1 Representative of Advisory Board (*Additional Program and Funding Partners*)
- 2 Community / Civic Leaders (representing constituencies for health care)

Primary Funding Partners—Not Represented on the Governing Board

- Virginia Tobacco Indemnification and Community Revitalization Commission
- Appalachian Regional Commission

FUTURE POSSIBLE EXPANSION

It is our hope that, as the programs are implemented and additional needs assessments and program planning are completed, we may acquire *Future Program and Funding Partners*—for example in Pharmacy, Dentistry, and Nursing. Their roles on the Advisory Board or Board will be determined at such time. Examples of potential *Future Additional Program Partners* are:

Nursing

- University of Virginia Wise College
- Tri-Colleges Nursing Program
- Old Dominion University (programs taught at Southwest Virginia Higher Education Center)

Pharmacy

- Appalachian College of Pharmacy
- East Tennessee State University, The Bill Gatton College of Pharmacy
- Virginia Commonwealth University School of Pharmacy

Dentistry

- Virginia Commonwealth University School of Dentistry

Research—Population Health, Possibly Selected Clinical Research

- East Tennessee State University, College of Public Health
- Obesity Research, Emory & Henry College, School of Allied Health
- Edward Via College of Osteopathic Medicine
- Virginia Tech Carillion Medical School and Research Institute
- University of Virginia School of Medicine
- Mountain States Health Alliance

Additional Possible Physician Education Partner

- DeBusk College of Osteopathic Medicine, Lincoln Memorial University

Additional Allied Health Programs

- East Tennessee State University, College of Clinical and Rehabilitative Health Sciences

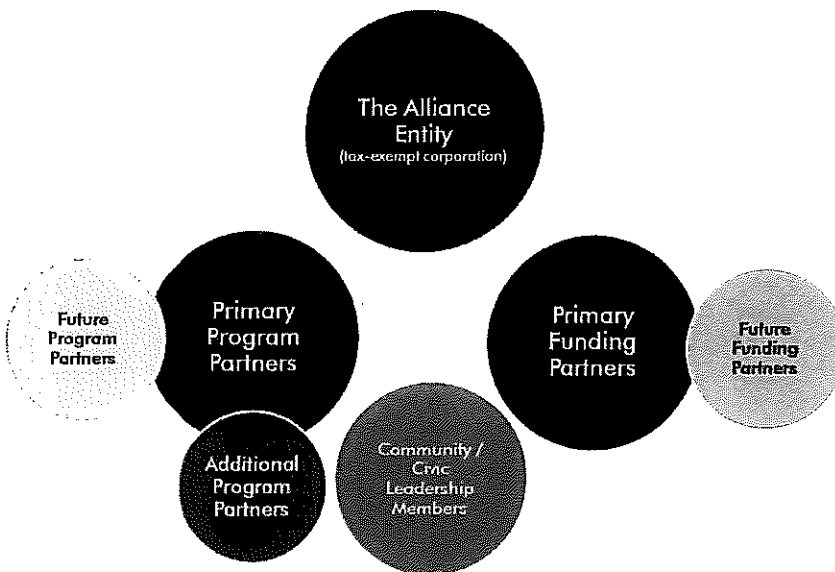
Additional Clinical Partner

- Southwest Virginia Community Health Systems

Future Potential Partners

The institutions listed here have not been part of the planning for Phase 1 of our initiative. We are not representing their commitments.

They are important to note, however, as potentially playing roles in the strategy as it expands.





MANAGEMENT AND STAFFING

The management / staff of the Alliance for Rural Health will be based at the Academic Health Center headquarters, located in the new facility in Abingdon. The size and make-up of the management and staff will evolve as the needs of the partners change and as the Alliance for Rural Health grows in scope and partners through the additional phases.

Initial Staffing—FY2015

It is currently contemplated that the management and staff in the initial year (FY2015) will include:

- **Executive Director:** The Executive Director's role will be to oversee all aspects of the Alliance for Rural Health's activities. The Executive Director will report directly to the Board of Directors of the Alliance, and will carry out the mission and vision of the Board, and manage day-to-day operations.
- **Administrative Staff:** There will be one administrative staff position filled in the first year. This position will support the activities of the Executive Director and the Board.

Slight Expansion—FY2016

In the second year of operations (FY2016), the staff will be expanded to include two more positions:

- **Building Manager:** This individual will be responsible for operations and maintenance of the physical plant. Initially, the Building Manager will assist with the construction of the facilities and manage third party vendors related to facility maintenance.
- **Director of Development:** This individual will be responsible for raising funds, both private sector, and public sector (grants, etc.) as well as expanding the business opportunities for the Alliance and working with its partners to identify and implement new and necessary programs to be developed in the Academic Health Center. Additionally, the Director of Development will work with the Executive Director to find additional revenue sources through the recruitment of businesses (for-profit and not-for-profit) to the campus and adjacent areas. The Director also will support the Executive Director, partners/members, and the Building Manager in event planning and management.

During the initial phase, to the extent other functions are necessary or some of the above can be shared, the Alliance will work with its partners to share personnel to launch the initiative and ensure its success.

8—THE COLLABORATIVE HEALTH SCIENCE CENTER HEADQUARTERS—ABINGDON CAMPUS PROJECT

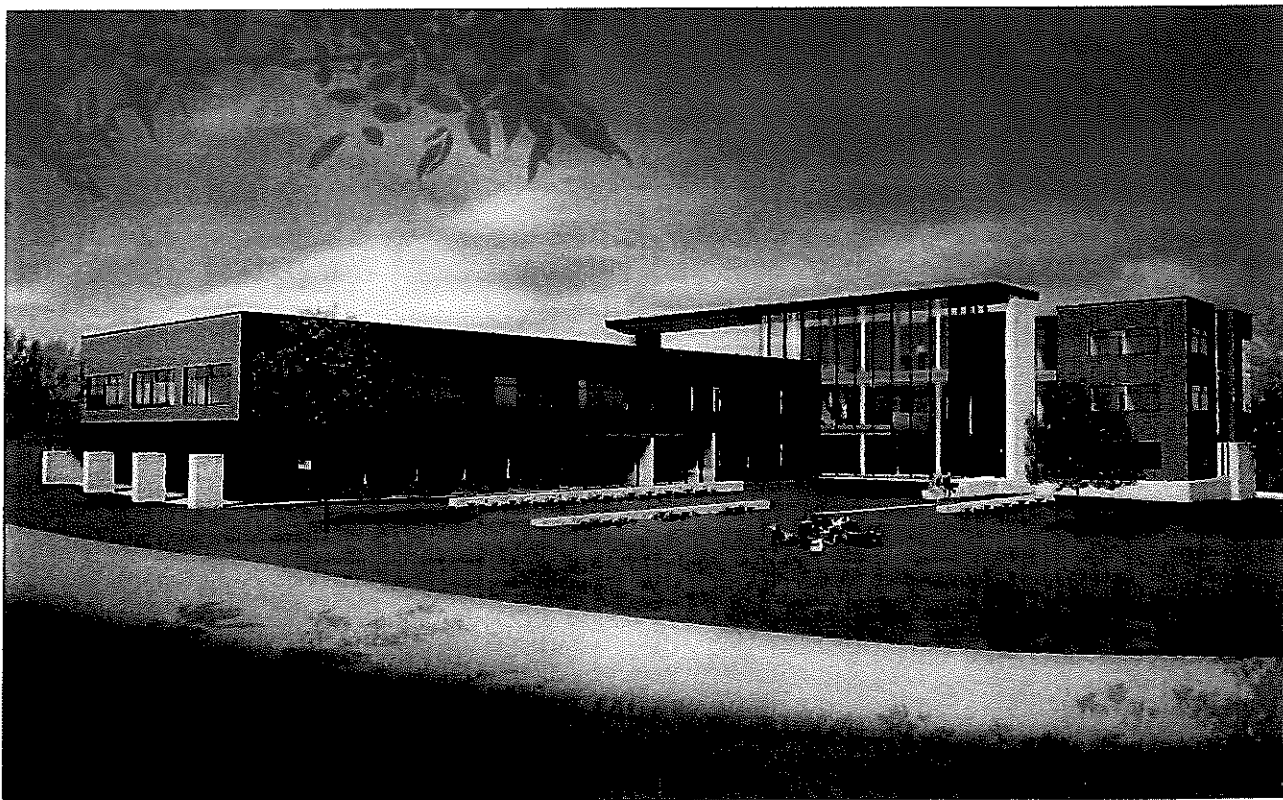
Along with the proper governance entity, the second critical ingredient to make this work is the “home base” or “headquarters” of the *Collaborative Health Science Center of Southwest Virginia*—and the multiple functions that will be carried out in this location. This is the subject of the new building project for which funding is being assembled.

In this chapter, we provide the initial building program and plans (as they were developed initially for the earlier contemplated School of Medicine). Now, with the changed strategy, much of the space program and building plan are still valid, but there are some updates needed. Accordingly, the final design plans are underway and are targeted for completion by the end of 2014.

IDENTITY

The Alliance for Rural Health is designing and will build a state of the art education and training facility to be “emblematic” of the *Collaborative Health Science Center* in the Stone Mill Business and Technology Park in Abingdon, Virginia.

This innovative organization will incorporate a host of health care professionals, starting with medical students, specifically interested in practicing rural medicine and other healthcare professionals who will train in a team-based environment. In addition, plans are being developed for a *Continuity of Care Clinic*, to be incorporated into the *Collaborative Health Science Center*, providing additional avenues of direct patient care and hands on learning for the students.



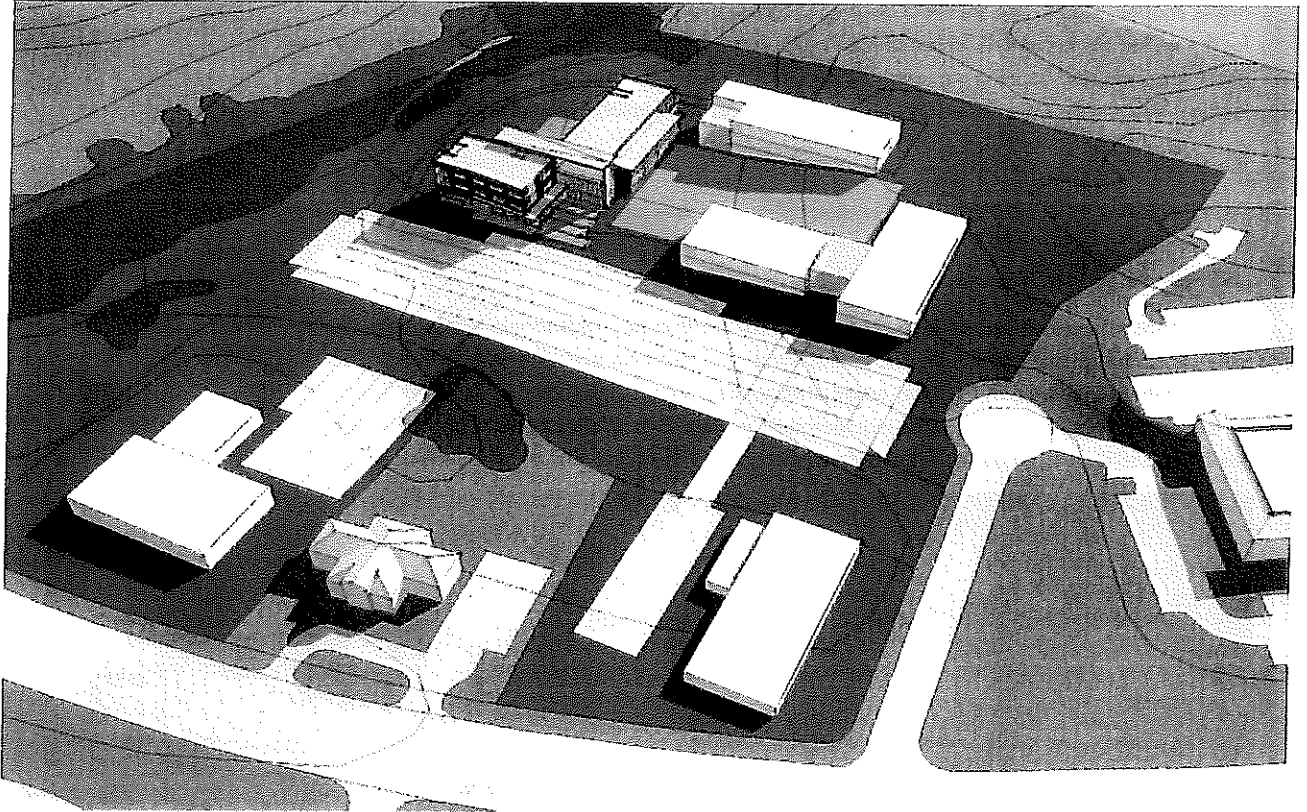
BACK COURT PERSPECTIVE

Southwestern Virginia - School of Medicine
Conceptual Design

 **Kahler Slater**
experience design

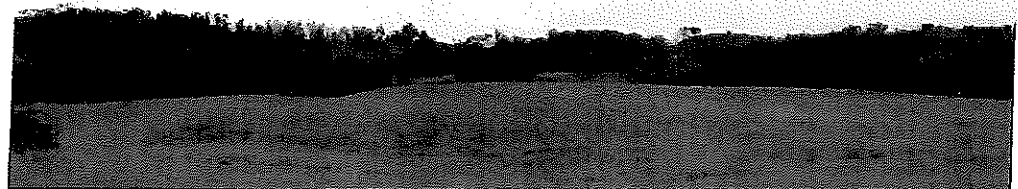
SITE AND SITE PLAN

The Master Plan for the *Collaborative Health Science Center* headquarters campus provides for location and logical growth of several phases of new facilities in the Stone Mill Business Park, located on the southeast side of Abingdon, at Exit 14 on Interstate 81. There are six parcels available for potential development. This allows for an ideal location for the initial facility development as well as growth for the Alliance for Rural Health and opportunities to recruit new businesses to the Stone Mill Business and Technology Park.



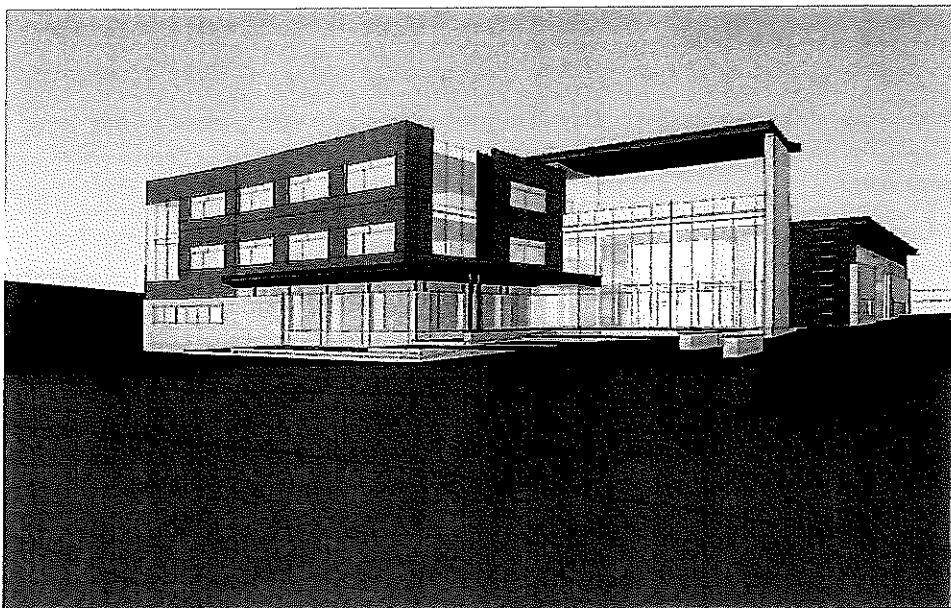
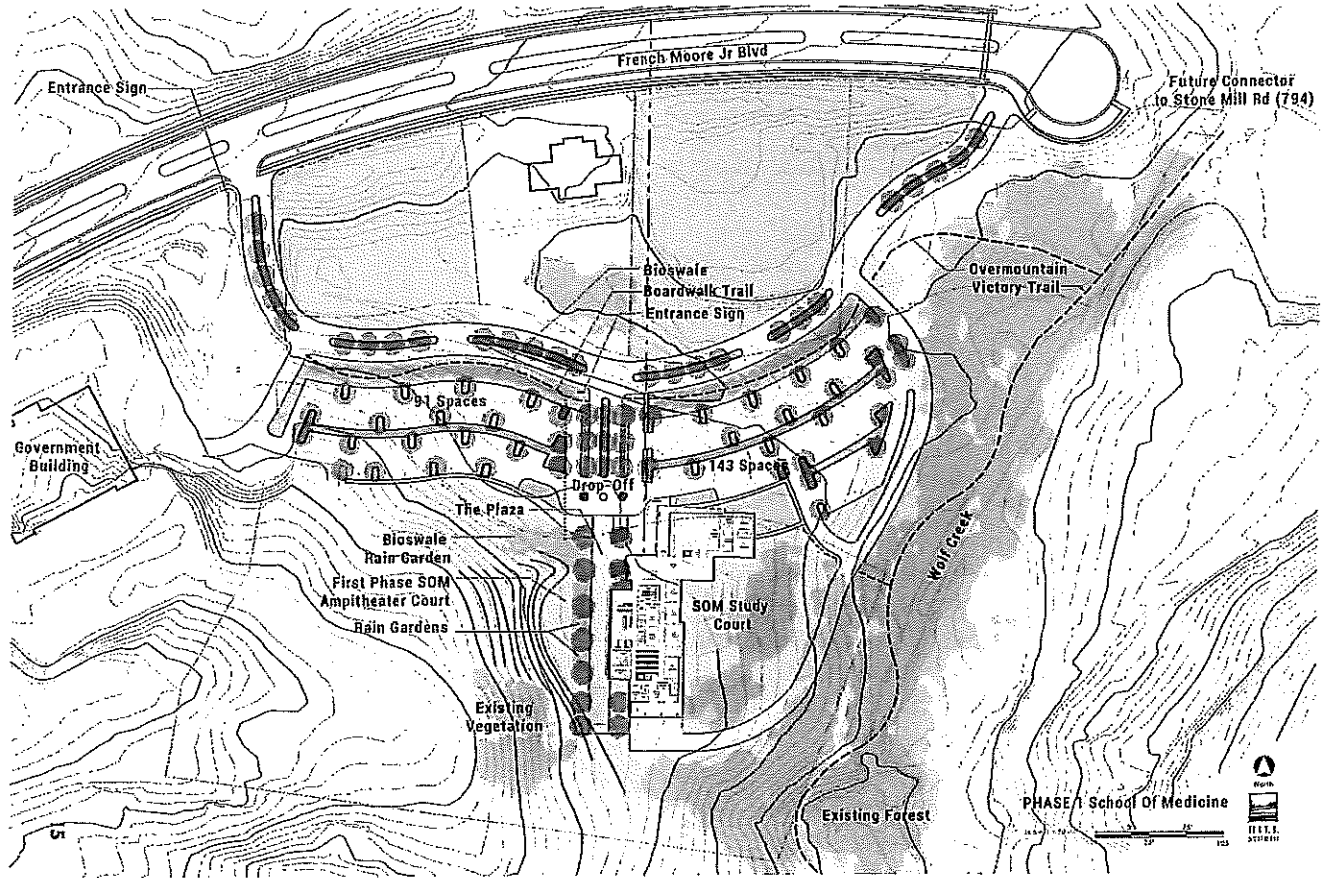
CAMPUS AXON

The business park has matured over the last decade and has evolved to include the Virginia Highlands Small Business Incubator, Heartwood Artisans Center, and the new Washington County Government Center, as well as new additions to nearby Southwest Virginia Higher Education Center and Virginia Highlands Community College. Planned for the future is a better eastern roadway connection with French Moore Jr. Boulevard to points north and east in Abingdon. It is also closely situated to the new Johnston Memorial Hospital, which is located off Exit 19 on Interstate 81.



The Collaborative Health Science Center of Southwest Virginia
 A Strategy to Achieve Prosperity by Improving Community Health
 8—The Collaborative Health Science Center Headquarters—Abingdon Campus Project

The building is set in a series of outdoor green spaces that contribute to the quality of the environment.



VIEW FROM PARKING



PRELIMINARY BUILDING PROGRAM

The initial Building Program (developed for a School of Medicine) is summarized as follows—and provided about 33,000 Assignable Square Feet (ASF):

ID	SPACE GROUP	2013 FACILITY PLAN		
		TOTAL ASF	DEPT. GSF	BLDG. GSF
100	Public Areas	1,000	1,000	1,300
200	Clinical Skills Assessment Center	6,179	6,199	10,659
300	Not Used			
400	Not Used			
500	Learning Environments	6,700	10,185	13,241
600	Student Space	3,800	4,364	5,673
700	Library	550	732	951
800	Administration	6,710	11,599	15,078
900	Building Support	4,020	4,813	6,256
Totals		32,959	40,891	53,159

Building Efficiency (ASF/GSF) 0.62

Space Types

Some refinements will be made. Overall, the Building Program will include the following spaces:

- Learning Environments
- Skills Assessment Center / Simulation Center
- Continuity Clinic (clinic spaces)
- Student and Amenities Spaces (e.g. Café)
- Research Space
- Library
- Administration
- Meeting Spaces (Small and Large Groups)
- Public Areas
- Building Support
- Storage.

Continuity of Care Clinic

To meet the individual interests and career goals of residents, the plans for the *Collaborative Health Science Center* in Abingdon are being adapted to incorporate into the existing space a *Continuity of Care Clinic* which will incorporate many of the values and components of the *patient-centered medical home*.

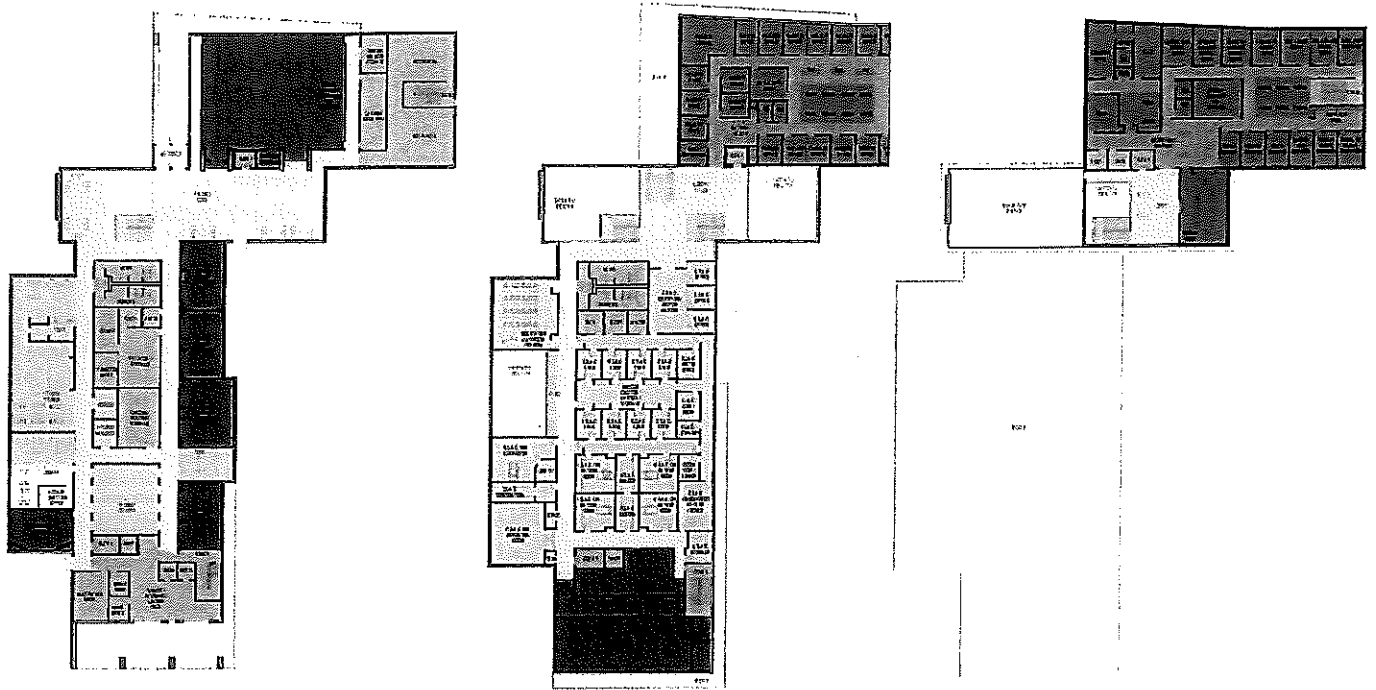
Residents will provide ongoing continuity care for their own panel of patients under the supervision of experienced academic general internists. Before each clinic session, residents will participate in a pre-clinic conference, led by both a peer teacher and a core faculty member.

With this high level of continuity, faculty can: maintain quality of care and efficiency (since they also know the patients well); provide more substantive evaluations (since they observe the resident frequently over time); and precisely target teaching (since greater continuity improves appreciation of residents' learning needs). The patient visits include new patients, timely post-hospitalization visits, return visits and urgent care and include a broad range of internal medicine conditions.

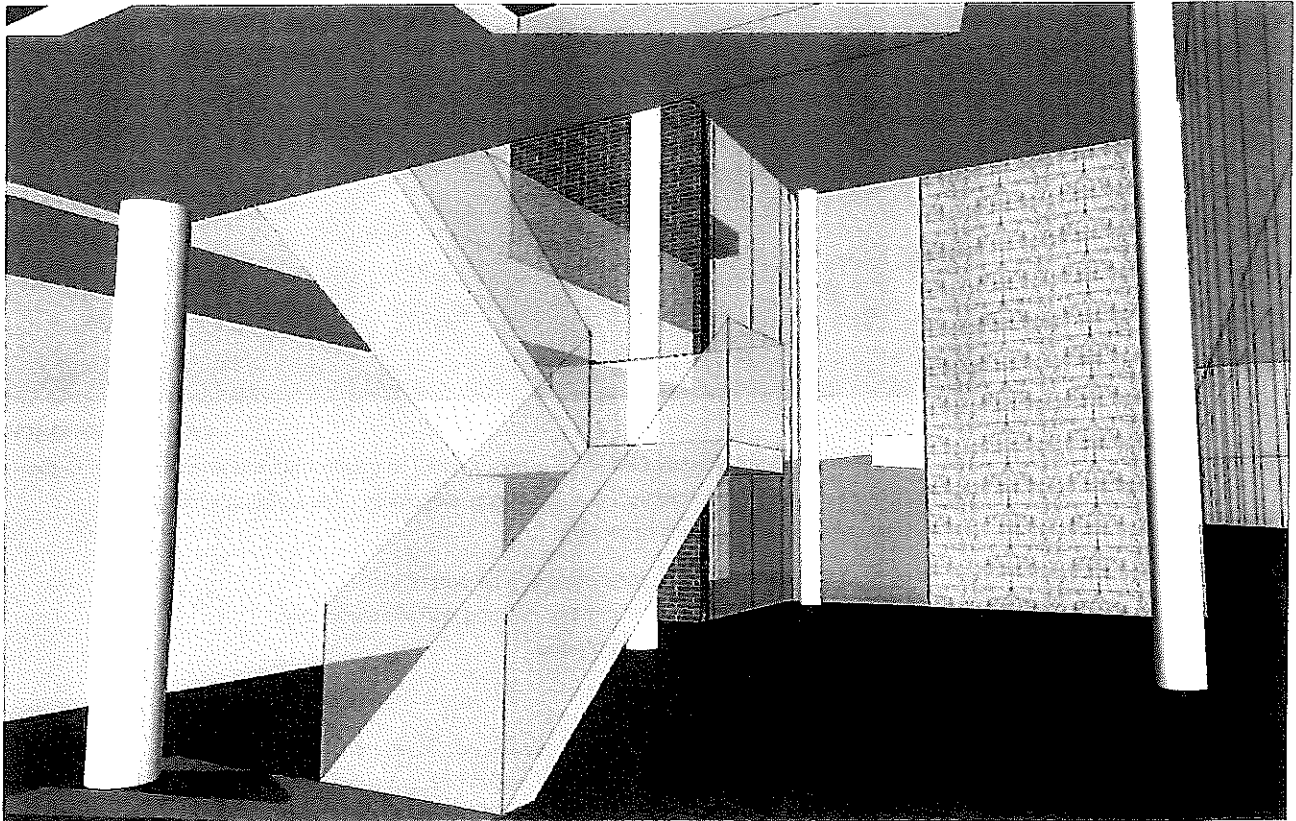
This approach attends to resident achievement of observable, measurable developmental milestones, with data culled from various sources including direct observation (mini-CEXs), in-training exams, 360 degree evaluations, standardized patient workshops, chart-stimulated recall sessions, and informal feedback. In turn, residents have the opportunity to evaluate their preceptor's teaching skills and the operations of the clinics such that there is an environment of collegial and collaborative continuous improvement.

First, Second, and Third Floor Plans

Current floor plans, subject to revisions, are as shown.



An Interior View



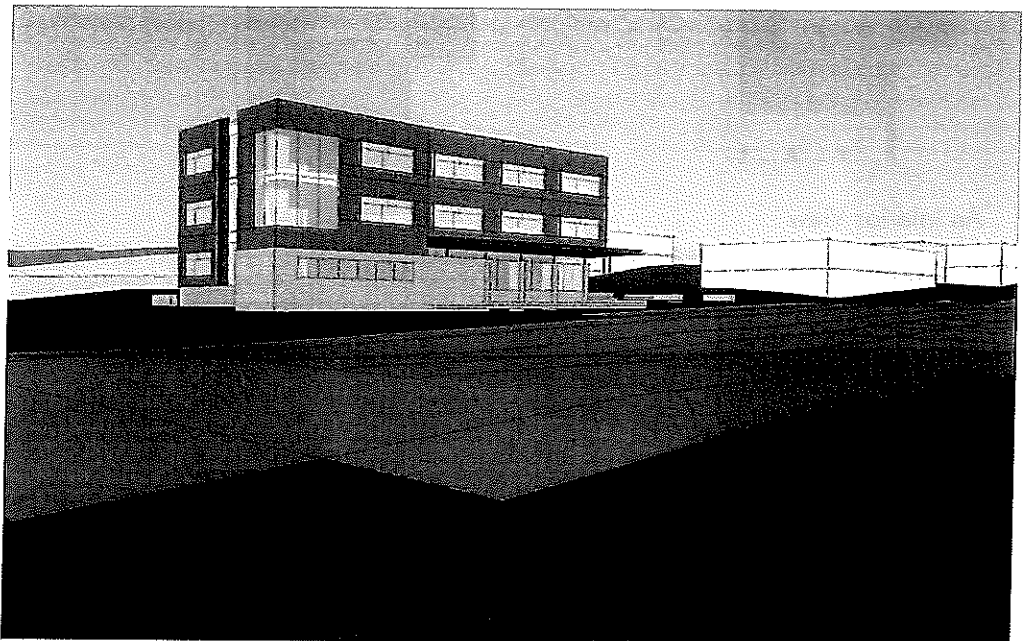
BUILDING DESIGN CONCEPT

Design Ideas

The *Collaborative Health Science Center* will be the region's newest home for medical and health care education, expanding and diversifying the physician and health professional workforce with a goal of improving the health of medically underserved populations in Southwest and Southside Virginia and surrounding regions. The new facility will foster an environment of professional excellence in areas of:

- Medical Knowledge and Application
- Inter-professional Education
- Patient Care
- Interpersonal and Communication Skills
- Professionalism
- Practice-Based Learning and Improvement
- Systems-Based Practice
- Scholarship
- Community and Population Health

The *Collaborative Health Science Center* facility is anticipated to be three stories. More public access spaces, such as the learning environments, lounges and café will be located on the first level. The focused educational environments, such as the Clinical Skills Assessment Center and labs, along with administrative spaces, will be located further from the front door. Placing learning environments with public access allows flexibility for community outreach, continuing education, fundraising and other events.



CAMPUS APPROACH

The *Collaborative Health Science Center* will communicate, in quality and image, the mission of the program to be a top facility in medical and healthcare education. The building's image will manifest its vision, which includes becoming:

- A magnet that attracts and inspires people to be part of it
- A collaborative setting that is welcoming, calming and stress-reducing
- A conduit for innovation and technologies.

OPERATING PLAN

The building will be owned and managed by the Alliance for Rural Health, the governing entity, and will serve as the headquarters for the Alliance's operations and some of the programs. The plan is for maintenance and other upkeep services to be outsourced to third-parties.

SUMMARY OF OTHER SITES / FACILITIES

In addition to the Abingdon headquarters facility, programs and services will be delivered at various distributed sites / facilities in in the region, including:

In addition to the Abingdon headquarters facility, programs and services will be delivered at various distributed sites / facilities in in the region, including:

- Emory & Henry College, Emory
- Emory & Henry College, Marion
- Emory & Henry College, Grundy
- MSHA's five hospitals: Johnston Memorial Hospital, Smyth County Community Hospital, Russell County Medical Center, Norton Community Hospital and Dickenson Community Hospital
- Stone Mountain Health Services: Various clinic locations
- Campuses of the community colleges—for workforce development / job skills development components
- Business incubators and other business parks / sites throughout the region
- Downtowns, for new business locations.

9—FUNDING STRATEGIES—PHASE 1 PROGRAMS AND CAPITAL PROJECTS

FUNDING OVERVIEW

The availability of the funds provided by Grant 1958 enable not only the construction of the *Collaborative Health Science Center of Southwest Virginia* but also the creation of the Alliance for Rural Health. Funds provided by the Virginia Tobacco Commission will be matched by several sources of funds, as explained below, and will serve as a catalyst for a region-wide approach to health care improvement and economic growth.

The Alliance for Rural Health will be the recipient of funds from Grant 1958. These funds will be used to construct the academic headquarters of the *Collaborative Health Science Center of Southwest Virginia*, which will include state-of-the art, flexible instructional environments (class and lab); a state-of-the-art Simulation Center that will be utilized by students and professionals alike; standardized Patient Rooms, and a Patient Teaching Clinic.

The *Collaborative Health Science Center of Southwest Virginia* will be constructed utilizing a New Markets Tax Funding (NMTC) partner. Utilization of this financing strategy will inject additional equity into the construction of the facility, eliminating the need for debt issuance.

Given the nature of the financing of the construction of the *Collaborative Health Science Center* building itself, there will be no debt payments on the facility, and all costs incurred going forward will be only for maintenance and operations of the Center. All program costs will be borne by individual partners undertaking such programs.

The maintenance and operations of the *Collaborative Health Science Center of Southwest Virginia* will be funded by leasing of space in the Center to health care partners operating the patient teaching clinic, program partner support, grant administration, and private contributions, as set forth below.

Facilities and operations of the distributed locations will be the responsibilities of the partners operating those individual locations making this model an efficient and sustainable operation going forward.

GRANT 1958 FUNDING

The earlier and firm commitment of the Virginia Tobacco Indemnification and Community Revitalization Commission has provided a solid foundation for the attraction of multiple other financial partners. The Town of Abingdon's continued support, combined with the support of the Town of Marion, the Smyth County Community Foundation, and others significantly leverage the initial investment by the Commission. Although the former Smyth County Hospital has value at some level and is included in this project, no value is assigned to the former hospital building for purposes of the matching calculation.

FLOW OF FUNDS

The adjacent table provides an overview of the flow of the initial funds in this project related to Grant 1958.

Each of the individual financial components of the Alliance is discussed below in more detail.

**Collaborative Health Science Center, Alliance for Rural Health
Sources and Uses of Funds for Tobacco Commission**

I. Sources of Funds			
	VTIRC Amount	Match Amount	Total Funds
VTIRC	\$19,000,000		
Town of Abingdon		\$7,500,000	
Smyth County Community Foundation		\$5,000,000	
ARC Grant - E&H Marion Campus		\$500,000	
NMTC - Town of Abingdon		\$6,000,000	
Former Smyth County Hospital Property		\$0	
<i>Total Matching Funds</i>		<i>\$19,000,000</i>	
Total Available Funds	\$19,000,000	\$19,000,000	\$38,000,000
II. Uses of Funds			
		Amount	Total Funds
CHSC-Headquarters Campus (Abingdon)		\$25,500,000	
CHSC-E&H Marion Campus (Marion)		\$9,500,000	
Clinical Training Equipment		\$3,000,000	
Total Uses of Funds		\$38,000,000	\$38,000,000

Source: The Alliance for Rural Health



COLLABORATIVE HEALTH SCIENCE CENTER HEADQUARTERS, ABINGDON CAMPUS FACILITY

Capital Project Cost Estimates

Following is the Capital Project Cost for the facility.

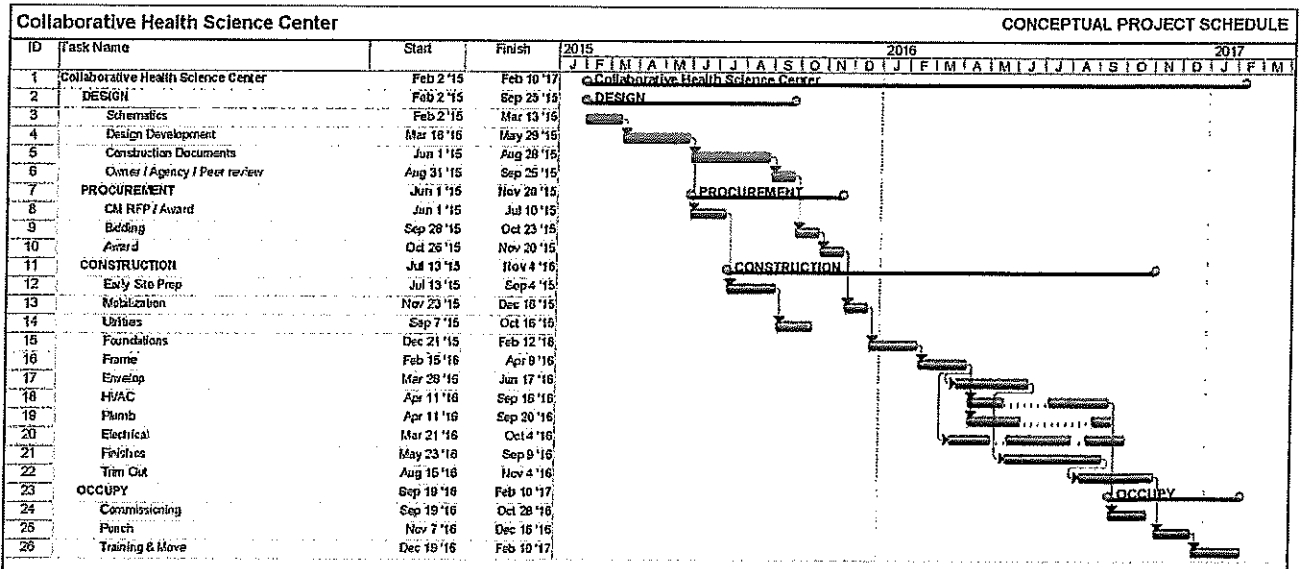
Capital Project Cost Estimates: Collaborative Health Science Center Headquarters Facility, Abingdon, Virginia

Cost Item	Estimated \$ Cost
I. DIRECT COSTS	
Land & Rights	\$0
Construction--Building	\$12,080,000
Furniture, Fixtures and Equipment	
AV / Communications	\$1,500,000
Medical Equipment	\$500,000
Appliances	\$14,400
Furniture and Fixed Furnishings	\$500,000
Clinical Training Equipment	\$3,000,000
<i>Sub-Total--FF&E</i>	<i>\$5,514,400</i>
SUB-TOTAL--DIRECT COSTS	\$17,594,400
II. INDIRECT COSTS	
Development Fees / Costs	
Development Fees	\$2,745,390
Legal Fees	\$10,000
Professional Fees	\$1,750,000
<i>Sub-Total--Development Fees & Costs</i>	<i>\$4,505,390</i>
Contingencies	
Contingencies	\$1,000,000
Other	\$250,000
<i>Sub-Total--Contingencies</i>	<i>\$1,250,000</i>
SUB-TOTAL--INDIRECT COSTS	\$5,755,390
TOTAL CAPITAL PROJECT COST	\$23,349,790

Source: The Alliance for Rural Health

Preliminary Construction Schedule

Assuming an early 2014 start, the following provides a two-year construction schedule.



Operating Budget

Following is an early version of the Operating Budget for FY 2015, 2016, and 2017. This is a work-in-progress.

Academic Health Center, Alliance for Rural Health Operating Budget Plan: FY 2015 through FY2017

	FY 15	FY 16	FY 17
Balance Forward	\$1,150,000	\$350,000	\$400,000
Operating Revenues:			
Rental Income	\$0	\$0	\$75,000
Partner Dues/Contributions	\$0	\$0	\$50,000
Endowment Income/Support	\$0	\$250,000	\$500,000
Federal Sponsored Programs	\$0	\$0	\$250,000
State Sponsored Programs	\$0	\$0	\$125,000
Private Sponsored Programs	\$0	\$0	\$250,000
Other Operating Revenues	\$0	\$0	\$0
<i>Total Operating Revenues</i>	<i>\$0</i>	<i>\$250,000</i>	<i>\$1,250,000</i>
Total Funds Available	\$1,150,000	\$600,000	\$1,650,000
Operating Expenses:			
Pending Liabilities	\$650,000	\$0	\$0
Administration	\$150,000	\$200,000	\$400,000
Academic Support	\$0	\$0	\$0
Research (less 10% fee)	\$0	\$0	\$562,500
Public Services	\$0	\$0	\$0
Residency Support	\$0	\$0	\$0
Facility Operations & Maintenance	\$0	\$0	\$75,000
Scholarships	\$0	\$0	\$0
<i>Total Operating Expenses</i>	<i>\$800,000</i>	<i>\$200,000</i>	<i>\$1,037,500</i>
Balance Forward	\$3,500,000	\$400,000	\$612,500

Source: The Alliance for Rural Health

As with all complex partnerships, there are many considerations of how to most efficiently organize and deploy resources of the various partners in the common efforts.

Development of this Operating Budget in a more final form is pending some details of program development, staffing, and delivery that our partners are still working on.

As we finalize Phase 1 program launch and operating plans and the related Operating Budget contributions and funds to be acquired, we will prepare and deliver an updated version to the Tobacco Commission at our January presentation—or before, if feasible.



EMORY & HENRY COLLEGE—PROGRAM AND CAPITAL FUNDING

Funding Commitments Overview

As the lead partner in this project, Emory & Henry has demonstrated a significant effort focused on the improvement of the health care in the region. During the relatively recent period of discussions when the project appeared to be solely a medical school project, Emory & Henry College committed to raise significant funds to underwrite the project as part of the continued emphasis of Emory & Henry College on regional health care issues. The focus of the final plan toward a more distributive model of health education has not changed Emory & Henry College's commitment to working toward private donations to support the approach set forth in this document. The College has already obtained significant support for their efforts. The table summarizes funding commitments from 2011 through now for the Emory & Henry School of Health Sciences, School of Optometry, and the two new campus locations in Marion and Grundy.

Valuation of the Smyth County Community Hospital Property

An appraisal indicated the value of \$12.5 MM for this hospital property. Pages from the appraisal are provided, as Appendix B.8.

While the appraisal value is shown, this \$12.5 MM is not being counted as part of the match to Tobacco Commission funding.

Emory & Henry College—School of Health Sciences and Marion Campus

External Funding Received and Committed 2011-2014

	Grants (Cash) for Operating	Capital Asset & Capital Funds	Total Funding: 2011 - 2014
School of Health Sciences and Marion Campus			
Town of Marion	\$50,000	--	
Smyth County	\$50,000	--	
Smyth County Community Foundation	\$500,000	--	
Virginia Tobacco Commission (Dean)	\$300,000	--	
Town of Marion (Dean match)	\$100,000	--	
Smyth County (Dean match)	\$100,000	--	
Smyth County Community Foundation (Dean match)	\$100,000	--	
Smyth County Community Foundation (Hospital property)		\$12,500,000	
Virginia Tobacco Commission (DPT construction, FF&E)	--	\$620,000	
Enterprise Zone Grant	--	\$100,000	
Smyth County Community Foundation (pending new milestones)	--	\$5,000,000	
Appalachian Regional Commission	--	\$500,000	
Total—School of Health Sciences / Marion Campus	\$1,200,000	\$18,720,000	\$19,920,000
School of Optometry and Grundy Campus			
Buchanan County Industrial Development Authority	\$3,000,000	--	
Virginia Coalfield Economic Development Authority	--	\$5,600,000	
Total—School of Optometry and Grundy Campus	\$3,000,000	\$5,600,000	\$8,600,000
Total Funding to Date—Both Schools and Both Campuses	\$4,200,000	\$24,320,000	\$28,520,000

E&H is pursuing other funding options for the School of Health Sciences:

- New Market Tax credits potentially worth \$7 MM
- Historic tax credits, current value unknown
- USDA loans: the College has financed other constructions projects with long-term low-interest USDA loans, and we believe this project would qualify.

Other sources will include:

- Foundation grants
- Second Enterprise Zone grant for hospital renovation
- Individual donations
- Legislative appropriation

The Collaborative Health Science Center of Southwest Virginia
 A Strategy to Achieve Prosperity by Improving Community Health
 9—Funding Strategies—Phase 1 Programs and Capital Projects

- Private and Corporate Foundations
- Naming opportunities
- New Market tax credits
- Historic tax credits (once prior hospital reaches 50-year mark)
- Grants for Gait Lab, Simulation Lab, other specific equipment

Capital Budget for Emory & Henry College Marion Campus

An initial capital budget for renovation and modernization of a portion of the former Smyth County community Hospital, now the Emory & Henry College Marion Campus, will support development of:

- A *Standardized Patient Lab* for medical and allied health students to complete patient scenarios with "real" patients (people who have been trained to portray specific health conditions) while working in multidisciplinary teams.
- A *Center for Rural Health & Wellness* which will focus on providing a results-oriented approach to reducing the incidence of obesity and improving overall health.

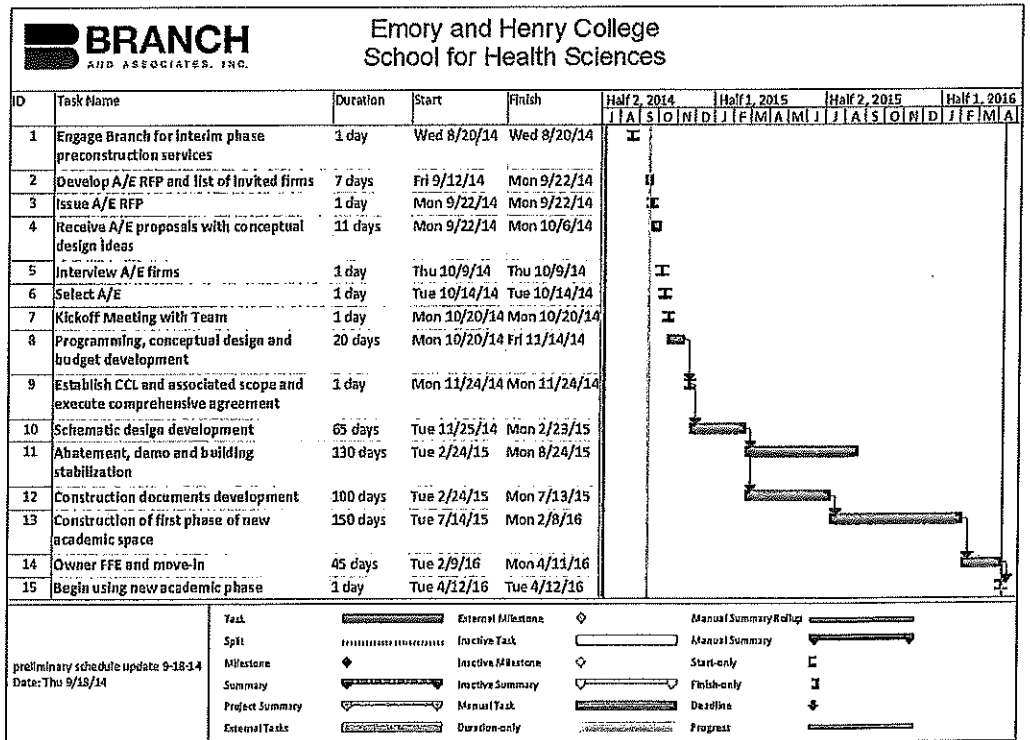
The capital costs for this early phase of modernization are shown in the adjacent table.

Capital Project Cost Estimates: School of Health Sciences, E&H Marion Campus, Marion, VA

Cost Item	Estimated \$ Cost
I. DIRECT COSTS	
Land & Rights	\$0
Construction—Building Renovations	\$4,000,000
Standardized Patient Lab	
AV / Communications	\$1,000,000
Medical Equipment	\$500,000
Furniture and Fixed Furnishings	\$500,000
Sub-Total—Standardized Patient Lab	\$2,000,000
Center for Rural Health & Wellness	
Medical Equipment	\$500,000
Furniture and Fixed Furnishings	\$500,000
Sub-Total—Center for Rural Health & Wellness	\$1,000,000
SUB-TOTAL—DIRECT COSTS	\$7,000,000
II. INDIRECT COSTS	
Development Fees / Costs	\$900,000
Development Fees	--
Legal Fees	--
Professional Fees	--
Sub-Total—Development Fees & Costs	\$900,000
Contingencies	--
Contingencies	--
Other	--
Sub-Total—Contingencies	\$0
SUB-TOTAL—INDIRECT COSTS	\$900,000

TOTAL CAPITAL PROJECT COST \$7,900,000

Source: Emory & Henry College, Office of the Dean, School of Health Sciences





MOUNTAIN STATES HEALTH ALLIANCE—PROGRAM FUNDING

Operating budget (not capital) is relevant for these programs. Following are cost / budget data.

Undergraduate Medical Education

Until further detailed plans are developed, MSHA will cover expenses for the Undergraduate Medical Education clinical rotations—other than preceptor fees.

MSHA estimates that total expenses for a student are \$1,000 per month, or \$12,000 per year. Therefore the annual expense associated with the twenty five VCOM students currently in the region is \$300,000.

Graduate Medical Education—MSHA

The Graduate Medical Education (GME) Program will be at Johnston Memorial Hospital (JMH) in Abingdon.

Funding for the GME program will come from three sources.

- The major source will be indirect and direct medical education funding from the Centers for Medicare and Medicaid (CMS.)
- Edward Via College of Osteopathic Medicine (VCOM) is providing start up resources for the first couple years of the program.
- JMH will fund any remaining expenses from operating revenues.

Following is a *pro forma* analysis of projected costs of the GME program from the current, start-up year through five years of program operations.

Mountain States Health Alliance

Residency and Fellowship Program Expenses for Program Start-Up Year and First Five Years—2016 to 2020

	2015 Program Start Up	2016 Year 1	2017 Year 2	2018 Year 3	2019 Year 4	2020 Year 5
Administrative Costs						
Director of Medical Education	\$190,000	\$163,680	\$168,590	\$173,648	\$178,858	\$184,223
Medical Education /Coordinator	\$0	\$99,200	\$102,176	\$105,241	\$108,399	\$111,650
Admin DME	\$53,000	\$74,400	\$76,632	\$78,931	\$81,299	\$83,738
Program Director Stipends	\$0	\$157,500	\$162,225	\$167,092	\$172,105	\$177,268
Teaching Faculty	\$0	\$70,000	\$216,300	\$371,315	\$448,018	\$486,895
Travel	\$0	\$0	\$0	\$0	\$0	\$0
<i>Subtotal—Administrative Costs</i>	<i>\$243,000</i>	<i>\$564,780</i>	<i>\$725,923</i>	<i>\$896,227</i>	<i>\$988,678</i>	<i>\$1,043,774</i>
Resident Costs						
Salaries		\$332,290	\$1,019,080	\$1,730,151	\$2,056,584	\$2,612,765
Benefits		\$78,960	\$242,158	\$415,236	\$493,580	\$505,696
Medical Malpractice		\$42,000	\$129,780	\$222,789	\$268,811	\$292,137
Reimbursement 18 Hrs @ \$25		\$3,150	\$9,734	\$16,709	\$20,161	\$21,910
Meals per resident 720 @ \$5.00		\$25,200	\$77,868	\$133,673	\$161,287	\$175,282
Fees OPTI		\$1,400	\$4,200	\$7,000	\$8,200	\$8,400
AOA Fees		\$13,500	\$15,000	\$15,500	\$20,500	\$20,500
Lab Coats/Phones/PDA/etc		\$4,060	\$12,545	\$21,536	\$25,985	\$28,240
Administrative costs (Payroll, IT, books)		\$7,000	\$21,630	\$37,132	\$44,802	\$48,690
Facility costs (Add'l training equipment)		\$200,000	\$500,000	\$1,500,000	\$1,500,000	\$0
Misc/Resident		\$7,000	\$21,630	\$37,132	\$44,802	\$48,690
<i>Subtotal—Resident Costs</i>		<i>\$714,560</i>	<i>\$2,053,624</i>	<i>\$4,136,858</i>	<i>\$4,644,711</i>	<i>\$3,762,310</i>
Total GME Program Expenses—Start-Up Year and First 5 Years of Program	\$243,000	\$1,279,340	\$2,779,548	\$5,033,085	\$5,633,388	\$4,806,084
Cumulative Program Expenses— First 6 Years--Including Start-Up Costs						\$19,774,445

Source: Data provided by Mountain States Health Alliances, clinical partner for Physician Education Programs

Appendices

Appendix A—Letters of Support

Appendix B—Additional Information

Appendix C—Primary Program Partners

Appendix D—Additional Program Partners in Phase 1

Appendix E—Future, Potential Partners—Future Programs / Phases

Appendix F—Primary Funding Partners

Appendix G—Planning, Policy, Engagement, and Civic Leadership Partners

Appendix A—Letters of Support

Appendix A.1—Emory & Henry College

Appendix A.2—Edward Via College of Osteopathic Medicine

Appendix A.3—Academic Health Sciences Center, East Tennessee State University

Appendix A.4—Johnston Memorial Hospital, Mountain States Health Alliance

Appendix A.5—University of Virginia School of Medicine

Appendix A.6—Stone Mountain Health Services

APPENDIX A.1—EMORY & HENRY COLLEGE

EMORY & HENRY
COLLEGE



November 9, 2014

David S. Redwine, DVM
Chairman, Southwest Economic Committee
The Virginia Tobacco Indemnification and Community Revitalization Commission
701 East Franklin Street, Suite 501
Richmond, Virginia 23219

Dear Dr. Redwine:

I am writing to indicate my strong support for the development of the Academic Health Center of Southwest Virginia, a project of the Alliance for Rural Health. Since its founding in 1836, Emory & Henry College has had as part of its primary mission the improvement of the lives and well-being of the citizens of Southwest Virginia. At this moment in the history of our region, nothing is more urgent to that mission than the expansion of health care education and the improvement of access to health care. Emory & Henry College has long been addressing that need through our community engagement initiatives, such as the sliding scale health clinic in Meadowview, Virginia developed by E&H students as a community engagement project. At the undergraduate level we have an athletic training program and a vibrant pre-med program. Now we are expanding our efforts into a School of Health Sciences on our Marion campus, which will house graduate allied health programs including physical therapy, occupational therapy, physician's assistant, and other programs. All of these programs feature a strong outreach component involving both students and faculty. We are interested both in training allied health professionals and making specific contributions to the health and the economic development of our region.

The Academic Health Center, with its headquarters in Abingdon and an inter-professional standardized patient skills assessment lab in our facility in Marion, will greatly enhance our efforts to connect students in the allied health and medical fields, while assisting in the development of inter-professional health care and health care education in our region. The school of optometry that we are developing in Grundy will also be an important part of this network.

Emory & Henry College endorses the report's recommendations to create the Alliance for Rural Health with its initial focus on physician education and its long-range goals for conducting inter-professional training in the medical and allied health fields. The unique distributed model envisioned by the report will maximize the resources of all the partners, including Emory & Henry College, and I look forward to the active participation of the College's leadership on the Alliance's governing board.

We realize that economic development and the improvement of health care go hand in hand. Our allied health programs will directly add hundreds of students and dozens of faculty

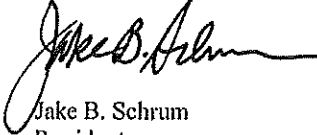
Office of the President
Post Office Box 947 • Emory, Virginia 24327-0947
276.944.6107 • www.chc.edu



David S. Redwine, DVM
November 9, 2014
Page -2-

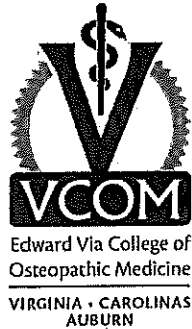
and staff to the economy of Smyth County, and the \$18-20 million renovation of the former Smyth County hospital in Marion, as well as the ongoing maintenance of that campus, will add many additional dollars to the local and regional economy. As the Alliance for Rural Health grows, its economic impact will spread throughout Southwest Virginia, directly helping to advance the Tobacco Commission's goal to revitalize formerly tobacco-dependent communities.

Sincerely,



Jake B. Schrum
President

APPENDIX A.2—EDWARD VIA COLLEGE OF OSTEOPATHIC MEDICINE



*Dr. Dale Brink-Rowland, D.O., F.A.C.O.P.
President and President
2265 High Drive
Richmond, Virginia 24060
Phone: 540.231.6057
Email: dbrink@vcom.edu*

November 13, 2014

D David S. Redwine
DVM Chairman
Southwest Economic Committee

The Virginia Tobacco Indemnification and Community Revitalization Commission
701 East Franklin Street, Suite 501
Richmond, Virginia 23219

RE: The "Academic Health Center of Southwest Virginia, a project of the Alliance for Rural Health"

This letter is sent in support of the "Model for a Collaborative Academic Health Center of Southwest Virginia," a project of the Alliance for Rural Health. The Alliance's Collaborative Academic Health Center model will support economic development in the area, create new jobs in the immediate area in the creation and throughout Southwest Virginia with the established health practices of the graduates, and will bring a positive economic development for the entire region.

The project will also promote the health and well-being of the citizens of the region and be a source for quality health care providers in the future.

VCOM has recently joined the Alliance as an Academic member organization within the Academic Health Center. While the idea of a new medical school was not one that could be realized (due to the current number of medical students training in the region who originate from 4 area medical schools located within 90 minutes of this site), the Collaborative Academic Health Center will utilize the current medical schools including the Edward Via College of Osteopathic Medicine and the East Tennessee State Quillen School of Medicine, as well as other area



health professions programs. The clinical training opportunities are currently utilized by these medical schools and literally include 95% of the hospitals in Southwest Virginia. By changing the focus of this project to graduate medical education (residency training), enhances the experiences and increases the number of medical students currently training in the region, and adds inter-professional education with all health education programs; we will prepare the future healthcare providers in the region to practice in a collaborative "team approach" to medical care and will increase the number of healthcare providers in the region.

The original projection of a medical school in Southwest Virginia is abandoned, for Virginia to support the creation of a new residency program development for the current number of medical school graduates in the state should be welcomed. Virginia is currently over 100 positions short in the first year residency positions for the number of current medical school graduates. The creation of the Collaborative Academic Health Center to support graduate medical education training is one that has the potential to benefit the entire state, and more importantly the Southwest Region. The potential to recruit medical students who train in the region and complete residencies in the region exceeds 50% by current studies. The addition of each physician in practice in the region is \$500,000 to \$1,000,000 depending on specialty and location of the practice.

VCOM will continue and grow the medical student training programs in the region. VCOM will contribute in planning as a member of the Board to assure the quality and effectiveness of the Center. VCOM will contribute by providing the academic and research office support for research programs within the Center. VCOM has experience in the development and maintenance of a simulation and technology center, and will help provide oversight of the Center. VCOM will promote the education in the Center to be one that is Inter-professional and follows new models of healthcare delivery including the patient-centered medical home. VCOM will lead in the development of additional grant applications from various private and public foundations to provide for ongoing support of the project. VCOM will also support basic academic services of the Center for its students. VCOM sponsors the newly developing residency programs at Johnston Memorial Hospital which will be an essential component of this program.

We hope you will consider this Collaborative proposal, and fund the new Alliance for Rural Health with the Board Members presented, as it is this membership who will see the project through for the positive impact to the health of the citizens in Southwest Virginia and to the economy of this region.

Please feel free to contact me through my Assistant, Patty Smith, should you need any additional information. Her email address is psmith@vcom.vt.edu and her telephone number is 540.231.6059.

Best regards,

Dixie Tooke-Rawlins, DO, FACOFF
President and Provost

APPENDIX A.3—EAST TENNESSEE STATE UNIVERSITY / ACADEMIC HEALTH
SCIENCES CENTER



EAST TENNESSEE STATE
UNIVERSITY
Academic Health Sciences Center

P.O. Box 70286
Johnson City, TN 37614
P 423-439-4811
F 423-439-4810

November 7, 2014

Dr. David S. Redwine, DVM
Chairman, Southwest Economic Committee
The Virginia Tobacco Indemnification and Community Revitalization Commission
701 East Franklin Street
Suite 501
Richmond, Virginia 23219

Dear Dr. Redwine:

Thank you for the opportunity for East Tennessee State's Academic Health Sciences Center to share information about our health sciences colleges and educational programs. We are committed to providing health services to the citizens of Southwest Virginia and have always viewed this region as part of our service area. Students from the area enroll in our health professions programs, and we provide health care in our clinics, practice offices, and in area hospitals to the citizens of the region.

The East Tennessee State University Academic Health Sciences Center is committed to improving the health of our region by education of providers and communities, by scholarship, and by service. We look forward to exploring the feasibility of developing a model for education and research in Medicine and the other Health Sciences in Southwest Virginia in partnership with the stakeholders in the community.

The attached summary provides an idea of our scope of programs from baccalaureate through doctoral preparation. It also speaks to our strong focus on interprofessional, rural and primary care as essential components of our mission and our students' education.

Sincerely,

A handwritten signature in black ink that reads "Brian Noland".

Brian Noland
President
East Tennessee State University

ETSU.EDU



APPENDIX A.4— MOUNTAIN STATES HEALTH ALLIANCE / JOHNSTON MEMORIAL HOSPITAL



David S. Redwine, DVM
Chairman, Southwest Economic Committee
The Virginia Tobacco Indemnification and Community Revitalization Commission
701 East Franklin Street
Suite 507
Richmond, Virginia 23219

Dear Dr. Redwine,

Mountain States Health Alliance is excited to partner with the Alliance for Rural Health as the exclusive integrated health system for the Academic Health Center of Southwest Virginia. Johnston Memorial Hospital and our sister facilities in Mountain States Health Alliance have a long history of supporting the economic development of the region. Our support has been both direct through job creation as well as supportive through seeking to improve the health of the region and attract other businesses to the region.

Mountain States has also been very supportive of our region by serving as the key training site for the region's allied health and medical students. Two years ago we realized more needed to be done to increase the number of physicians choosing to settle in our region. We increased the number of medical students assigned to our region and developed residency programs, the first of which will be family medicine and accepts residents in July 2016. We know that physicians who train in a region stay in the region.

As we plan for this growth over the next five years our major concern involves the facilities needed to train the growing number of students and residents in our region. For this reason we were excited to learn of the creation of the Alliance for Rural Health and its vision for an academic health care center modeled on an innovative, distributive approach to medical education. This vision fits very nicely with our plans already well underway to develop a medical education collaborative with the Edward Via College of Osteopathic Medicine and East Tennessee State University. The addition of Emory and Henry and their allied health program makes the alliance significantly more robust.

Mountain States specifically needs additional outpatient clinical space designed specifically to support training students in the health sciences how health care should be delivered in 2025. Additionally, much of the additional training will occur Johnston Memorial Hospital. Plans are already in place for administrative space for the graduate medical education program. However, we will need additional bed and educational space to support our growing role in educating the future providers of health care in our region.

We look forward to working with the Alliance for Rural Health and its partners, many of whom we have long relationships with already, as the exclusive integrated health system for the Academic Health Center. The vision for the center is very promising and we look forward to meeting with you personally in January to discuss the plan and answer your questions.

Sincerely,



Sean McMurray, FACHE
Vice President & CEO, MSHA Northeast Market



APPENDIX A.5—UNIVERSITY OF VIRGINIA



May 1, 2014

Tariq A. Zaldi, Esq.
~~Interim-President and Chief Operating Officer~~
The Southwest Virginia School of Medicine
851 French Moore, Jr. Boulevard, Suite 174
Abingdon, VA 24210

Dear Tariq,

I am writing this letter on behalf of the University of Virginia, and expressing our interest on working towards a solution to the healthcare, workforce, and economic issues facing Southwest Virginia.

The University of Virginia already has a strong presence in and commitment to improving both the access and quality of healthcare in Southwest Virginia through programs such as the Remote Area Medical (RAM) free clinic and its network of telemedicine sites. We also have a significant investment in education in Southwest Virginia through the University of Virginia's College at Wise. Our healthcare system has a longstanding history of being a referral site for patients from the region. With our expertise in both medical education and delivery of healthcare, and our commitment to the region, we believe that we can be of assistance in creating a more significant impact on the region.


The University of Virginia is pleased to support an initiative to advance the care of citizens in Southwest Virginia. We believe that increasing access to clinical care is the essence of the need. We understand that a high performing clinical delivery system requires a skilled inter-professional workforce.

To that end, we will work with you to develop:

1. a rural medicine rotation for our medical students in their 4th year
2. work with local hospitals to help develop residency rotations/programs
3. work to develop specialized clinical services to which citizens in Southwest Virginia would have access.

We recognize that these rotations should occur in interdisciplinary teams and support your efforts to create such training opportunities in collaboration with you and Emory and Henry College.

Sincerely,


Patrick D. Hogan
Executive Vice President
and Chief Operating Officer

PH/tw
cc: Dr. Richard P. Shannon
Ms. S. Pace Lochte

Madison Hall • Post Office Box 400228 • Charlottesville, VA • 22904-4228
Phone: 434-924-3252 • Fax: 434-982-2770
hogan@virginia.edu • www.virginia.edu/execvp

APPENDIX A.6—STONE MOUNTAIN HEALTH SERVICES



**STONE MOUNTAIN
HEALTH SERVICES**

St. Charles Health Council, Inc.

P.O. Box 608 ♦ 185 Redwood Avenue, Suite 102 ♦ Pennington Gap, VA 24277
276-546-5310 ♦ fax 276-546-5469

David S. Redwine
DVM Chairman, Southwest Economic Committee
The Virginia Tobacco Indemnification and
Revitalization Commission
701 East Franklin Street, Suite 501
Richmond, VA 23219

RE: Academic Health Center of Southwest Virginia.
A project of the Alliance for Rural Health

Dear Mr. Redwine,

It is with pleasure that the St. Charles Health Council, Inc., d/b/a Stone Mountain Health Services submits this letter of support for the Academic Health Center of Southwest Virginia, a project of the Alliance for Rural Health Care. As a partner in this project, we are excited to be involved in a project which will promote economic development, create jobs in southwest Virginia and positively impact the health of residents of rural southwest Virginia.

Stone Mountain Health Services will support the project through accepting students for clinical rotations in our community health center clinic sites. The project has our senior level support as shown by the involvement of our CEO, Mr. Malcolm Perdue, as a member of the Board and in the planning process of the project. We are committed to the project and will continue to support the project in these roles in the future as the project evolves in pursuit of the vision of the Alliance.

We endorse the Recommendations presented in the report to the Virginia tobacco Indemnification and Revitalization Commission. The creation of the Alliance for Rural Health with an initial continuing focus on the education of physicians through the Distributive Model Academic Health Care Center with a comprehensive approach to addressing the challenges of health care and economic prosperity in southwest Virginia's communities will foster the training, recruitment and retention of health care providers in this underserved area while creating additional jobs both now and in the future. As described in the report, the Academic Health Care Headquarters in Abingdon, VA with a distributed campus is seen as a model that will serve southwest Virginia well in the training of physicians and in the recruitment and retention of these physicians once the educational requirements are met.

We look forward to a continuing partnership with the Alliance and will be happy to hear of approval of the project for continued funding.

Sincerely,

Malcolm Perdue
President and Chief Executive Officer

Community-Based Health Care for Everyone!

Appalachia ♦ Damascus ♦ Davenport ♦ Ewing ♦ Haysi ♦ Hurley
Konnarock ♦ Pennington Gap ♦ St. Charles ♦ St. Paul ♦ Vansant



APPENDIX A.7—TOWN OF ABINGDON



TOWN OF ABINGDON

OFFICE OF TOWN MANAGER
133 West Main Street
P. O. Box 789
Abingdon, Virginia 24212-0789

Gregory W. Kelly
Town Manager

Telephone: (276) 628-3167
Fax: (276) 698-3326
E-mail: gkelly@abingdon-va.gov

November 10, 2014

David S. Redwine, CVM, Chairman
Southwest Economic Committee
VA Tobacco Commission
701 East Franklin Street, Suite 501
Richmond, VA 23219

*Re: Letter of Support
Academic Health Center of SWVA*

Dear Dr. Redwine:

The Town of Abingdon offers its continued support for the establishment of the Academic Health Center of Southwest Virginia, a project of the Alliance for Rural Health. This project is crucial in bringing medical education to Southwest Virginia in order to enhance the health care delivery system, improve the regional economy, and attack the fundamental health problems that are affecting this area.

The Town of Abingdon has been involved in this effort since its inception. We recognize that the program we present for approval by your committee has evolved considerably from the project that was originally proposed but it is ultimately more cost effective, sustainable, and a more realistic approach toward impacting the health and economic issues that confront this region.

The project we present to you is a collaborative effort which partners many of the major health care providers and educational institutions in this region along with local governments and non-profit agencies. It is an example of how the public, private, and non-profit sectors should collaborate toward solving major problems and can serve as a model for other areas of the Appalachian region that are confronting similar issues.

The Town of Abingdon is proud to have played a role in bringing this effort to fruition and pledge our continued support of this process. We encourage you and the members of the Economic Development Committee to recommend this project for approval by the entire

Letter to Dr. Redwine
November 10, 2014
Page Two

Commission. We thank you for partnering with us to improve the health, quality of life and economy of Southwest Virginia.

Very truly yours,

Edward B. Morgan

Edward B. Morgan
Mayor

EBM/cmr



APPENDIX A.8—TOWN OF MARION

TOWN OF MARION



P.O. Box 1005
138 West Main Street
Marion, VA, 24354
Phone: 276-783-4113 Fax: 276-783-8413
www.marionva.org

Council:
David P. Helms, Mayor
Dr. James L. Gates, Vice Mayor
Larry Carter Bill Wenver
Suzanne Jennings Tricia Spencee
Jim Barker Jim Owens

Mr. David S. Redwine, DVM Chairman, Southwest Economic Committee
The Virginia Tobacco Indemnification and Community Revitalization Commission
701 East Franklin Street, Suite 501
Richmond, Virginia 23219

RE: "Academic Health Center of Southwest Virginia, a project of the Alliance for Rural Health"

DT: 10 November 2014

Dear Mr. Redwine:

It is with great pleasure that I offer this letter of support for the Academic Health Center of Southwest Virginia, a project of the Alliance for Rural Health.

As you may know, the Town of Marion has taken a leadership role in partnering to continue to develop opportunities here in our region. As the SBA's "Small Business Community of the Year", Marion leads the charge for entrepreneur development and business support. We also are pleased of the strategic partnerships we have developed with Emory & Henry College to develop the former Smyth County Community Hospital campus into a med/tech education facility, offering a variety of occupational and physical therapy programs. Further, we are pleased to announce a partnership between Virginia Highlands Community College and Wytheville Community College to bring a downtown learning center to our Wayne C. Henderson School, currently under renovation.

The Town of Marion stands ready to continue our successful strategy of bringing higher education opportunities to Marion and Smyth County by supporting the Academic Health Center of Southwest Virginia and it's satellite facilities in Marion. The creation of this alliance for rural health will serve a dual role - providing training and educational opportunities in our community while providing a foundation for continued health care for the region. We will continue to participate as members of the Board of Directors, offering our input to the vision. And we realize the tremendous opportunities this will bring in terms of immediate jobs and long term job creation, helping continue to transform our region's economy.

If I may be of further assistance, please do not hesitate to call. I look forward to a favorable review of the application and another exciting project for Southwest Virginia.

Sincerely,

Handwritten signature of David P. Helms
David P. Helms, Mayor



Bill Rush, Town Manager
Cecil Hicks, Asst. Town Manager/Town Engineer
Rex Anders, Chief Of Police
Billy Haman, Dir. Of Purchasing
Ken Heath, Downtown/Dir. Of Comm. & Econ. Dev

Cindy Stanley, Dir. Of Finance Town Clerk
Donnie Coley, Dir. Of Water & Sewer
Jack Perry, Dir. Of Public Works
Terry Jennings, Golf Course Manager
Mark Fenyk, Counsel



Appendix B—Additional Information


- Appendix B.1—Context—The United States vs. Other Wealthy Nations
- Appendix B.2—Projected National Shortages in Allied Health Professionals
- Appendix B.3—Context—The Commonwealth of Virginia
- Appendix B.4—Academic Health (Sciences) Centers in the US
- Appendix B.5—Two Critical Framework Documents
- Appendix B.6—Economic Impact Assessment, September 2014
- Appendix B.7—(reserved)
- Appendix B.8—Appraisal of Emory & Henry School of Health Sciences Marion Property

APPENDIX B.1—CONTEXT—THE UNITED STATES VS. OTHER WEALTHY NATIONS

Following are the 11-nation rankings for factors of quality, access, efficiency, equity, and healthy lives. Per capital health expenditures also are provided.¹³

The US ranks 11th (last) of the 11 nations in health care.

COUNTRY RANKINGS

											
	AUS	CAN	FRA	GER	NETH	NZ	NOR	SWE	SWIZ	UK	US
OVERALL RANKING (2013)	4	10	9	5	5	7	7	3	2	1	11
Quality Care	2	9	8	7	5	4	11	10	3	1	5
Effective Care	4	7	9	6	5	2	11	10	8	1	3
Safe Care	3	10	2	6	7	9	11	5	4	1	7
Coordinated Care	4	8	9	10	5	2	7	11	3	1	6
Patient-Centered Care	5	8	10	7	3	6	11	9	2	1	4
Access	8	9	11	2	4	7	6	4	2	1	9
Cost-Related Problem	9	5	10	4	8	6	3	1	7	1	11
Timeliness of Care	6	11	10	4	2	7	8	9	1	3	5
Efficiency	4	10	8	9	7	3	4	2	6	1	11
Equity	5	9	7	4	8	10	6	1	2	2	11
Healthy Lives	4	8	1	7	5	9	6	2	3	10	11
Health Expenditures/Capita, 2011**	\$3,800	\$4,522	\$4,118	\$4,495	\$5,099	\$3,182	\$5,669	\$3,925	\$5,643	\$3,405	\$8,508

Notes: * Includes ties. ** Expenditures shown in \$US PPP (purchasing power parity); Australian \$ data are from 2010.

Source: Calculated by The Commonwealth Fund based on 2011 International Health Policy Survey of Sicker Adults; 2012 International Health Policy Survey of Primary Care Physicians; 2013 International Health Policy Survey; Commonwealth Fund *National Scorecard 2011*; World Health Organization; and Organization for Economic Cooperation and Development, *OECD Health Data, 2013* (Paris: OECD, Nov. 2013).

¹³ Karen Davis, Kristof Stremikis, David Squires, Cathy Schoen, *Mirror, Mirror On The Wall—2014 Update, How the U.S. Health Care System Compares Internationally*, The Commonwealth Fund, June 16, 2014



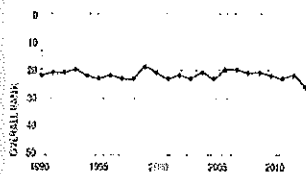
APPENDIX B.2—CONTEXT—THE COMMONWEALTH OF VIRGINIA

This report provides values and rankings for several health determinants and health outcomes. Smoking, diabetes, and obesity are major challenges, statewide. Health disparities by level of education are significant.

UNITED HEALTH FOUNDATION | AMERICA'S HEALTH RANKINGS® 2013

VIRGINIA

Overall Rank: 26



Change: ▼ 4
Determinants Rank: 18
Outcomes Rank: 28

Strengths:

- Low rate of drug deaths
- Low violent crime rate
- Low percentage of children in poverty

Challenges:

- High prevalence of diabetes
- High infant mortality rate
- Large disparity in health status by educational attainment

VIRGINIA

Ranking: Virginia is 26th this year; it was 22nd in 2012.

Highlights:

- In the past year, the prevalence of smoking declined from 20.9 percent to 19.0 percent of adults; however, nearly 1.2 million adults still smoke in Virginia.
- In the past year, the rate of drug deaths decreased from 9.3 to 8.0 deaths per 100,000 population.
- Although the prevalence of obesity dropped from 29.2 percent to 27.4 percent of adults in the past year, obesity remains high; more than 1.7 million adults are obese in Virginia.
- In the past 5 years, air pollution decreased by 35 percent from 12.6 to 9.3 micrograms of fine particulate per cubic meter.
- In the past 5 years, public health funding decreased by nearly 60 percent from \$111 to \$69 per person.
- In the past 10 years, the percent of children living in poverty increased from 8.4 percent to 13.5 percent of persons younger than 18 years.

Health Disparities:

In Virginia, 54.9 percent of adults aged 25 years and older with at least a high school education report their health is very good or excellent compared to only 23.2 percent with less than a high school education, resulting in a gap of 31.7 percent.

State Health Department Website:
www.vdh.state.va.us

DETERMINANTS	2013		NO 1 STATE
	VALUE	RANK	
BEHAVIORS			
Smoking (Percent of adult population)	19.0	23	10.6
Binge Drinking (Percent of adult population)	15.7	17	10.2
Drug Deaths (Deaths per 100,000 population)	8.0	7	5.0
Obesity (Percent of adult population)	27.4	24	20.5
Physical Inactivity (Percent of adult population)	22.5	22	16.2
High School Graduation (Percent of incoming ninth graders)	81.2	20	91.4
COMMUNITY & ENVIRONMENT			
Violent Crime (Offenses per 100,000 population)	190	4	123
Occupational Fatalities (Deaths per 100,000 workers)	4.0	20	1.9
Infectious Disease (Combined score Chlamydia, Pertussis, Salmonella)	-0.14	26	-0.90
Chlamydia (Cases per 100,000 population)	453.9	34	140.6
Pertussis (Cases per 100,000 population)	6.0	24	0.7
Salmonella (Cases per 100,000 population)	15.2	31	6.6
Children in Poverty (Percent younger than 18 years)	13.5	7	9.7
Air Pollution (Micrograms of fine particles per cubic meter)	9.3	25	6.3
POLICY			
Lack of Health Insurance (Percent without health insurance)	12.9	18	3.8
Public Health Funding (Dollars per person)	\$69	28	\$225
Immunization—Children (Percent aged 19 to 35 months)	69.8	23	80.2
Immunization—Adolescents (Percent aged 13 to 17 years)	59.6	33	82.0
CLINICAL CARE			
Low Birthweight (Percent of live births)	8.0	23	6.0
Primary Care Physicians (Number per 100,000 population)	124.4	15	196.1
Dentists (Number per 100,000 population)	61.6	19	85.6
Preventable Hospitalizations (Number per 1,000 Medicare enrollees)	59.0	19	27.4
ALL DETERMINANTS	0.24	18	0.70
OUTCOMES			
Diabetes (Percent of adult population)	10.6	35	7.0
Poor Mental Health Days (Days in previous 30 days)	3.5	12	2.8
Poor Physical Health Days (Days in previous 30 days)	3.8	20	2.9
Disparity in Health Status (By educational attainment**)	31.7	37	19.7
Infant Mortality (Deaths per 1,000 live births)	7.0	35	4.4
Cardiovascular Deaths (Deaths per 100,000 population)	248.1	26	186.9
Cancer Deaths (Deaths per 100,000 population)	192.0	29	141.3
Premature Death (Years lost per 100,000 population)	6,816	21	5,493
ALL OUTCOMES	0.02	28	0.33
OVERALL	0.26	26	0.92

*Negative score denotes less disease than US average, positive score indicates more than US average
 **Difference in high health status between adults aged 25 and older without a high school education and those with at least a high school education



STATE — NATION
 The 2012–2013 data in the above graphics are not directly comparable to prior years. See Methodology for additional information.

ECONOMIC ENVIRONMENT	VA	US
Annual Unemployment Rate (2012)	6.0	8.1
Annual Underemployment Rate (2012)	11.7	14.7
Median Household Income (2012)	\$ 62,616	\$ 50,054

MEASURE	ADULT POPULATION AFFECTED
Smoking	1,193,000
Obesity	1,721,000
Physical Inactivity	1,413,000
Diabetes	666,000



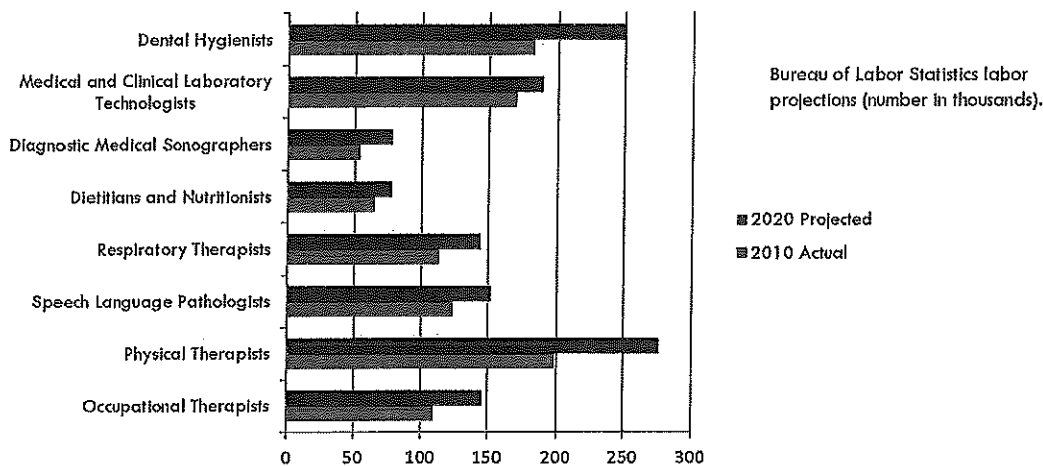
For a more detailed look at the data, visit www.americashealthrankings.org/va

APPENDIX B.3—PROJECTED NATIONAL SHORTAGES IN ALLIED HEALTH PROFESSIONALS

Whatever the shortages of health care professionals will be in the US as a whole, it is certain that the degree of the problem will be more severe and magnified in rural areas such as Southwest Virginia counties.

TRAINING NEEDS IN ALLIED HEALTH

ACTUAL AND PROJECTED NEED FOR ALLIED HEALTH PROFESSIONALS



ALLIED HEALTH PROFESSIONALS KEEP OUR NATION HEALTHY

Allied health professionals will play a key role in health care reform by:

- Addressing obesity, e.g. dietitians and nutritionists
- Maintaining functional mobility, e.g. physical and occupational therapists
- Supporting primary care, e.g. clinical laboratory sciences and diagnostic medical sonographers

THE ASSOCIATION OF SCHOOLS OF ALLIED HEALTH PROFESSIONS (ASAHP)

The Association of Schools of Allied Health Professions (www.asahp.org) is the principal membership organization representing and promoting the schools and colleges of allied health. Its mission is to advance the professions of allied health and advocate for allied health programs in the United States and abroad.

References:

Bureau of Labor Statistics, Occupational Outlook Handbook <http://www.bls.gov/ooh/healthcare/> accessed 8/26/2013

2011-2012 Fact Sheet Physical Therapist Education Programs, Commission on Accreditation in Physical Therapy Education. Updated 3/14/2013. http://www.capeonline.org/uploadedFiles/CAPTEorg/About_CAPTE/Resources/Aggregate_Program_Data/AggregateProgramData_PTPrograms.pdf Accessed 8/26/2013.

NEED FOR ADDITIONAL TRAINING FUNDS

- HRSA funded over \$122 million in training grants to physician, physician assistant, and nursing programs in 2012.
- Allied health programs are eligible to apply for a limited number of HRSA funds and compete with medical and nursing schools, e.g.
 - Centers of Excellence
 - Scholarships for Disadvantaged Students
 - Health and Child Health Workforce Development Centers
- While training needs are just as great in the allied health professions, **training grants specifically targeted for allied health are not available.**
- Minority enrollment in allied health programs continues to be well below desired, e.g. in 2011 the average physical therapy class size was 43.3 students with only 7.3 minority students per class.
- Funding is needed to support training grants for both those entering the professional field and to support training of additional faculty

CONTACT INFORMATION AND RESOURCES

John Colbert, Esq. • Executive Director

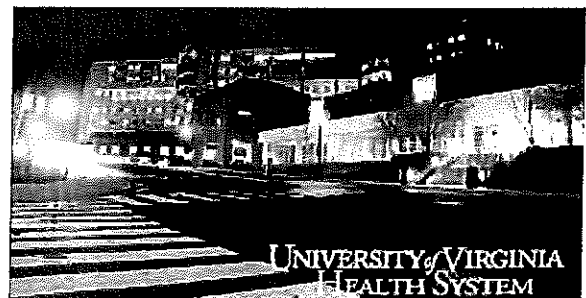
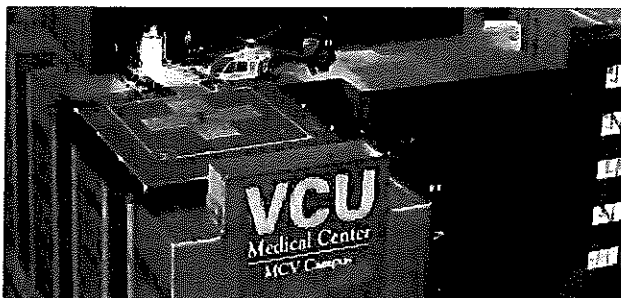
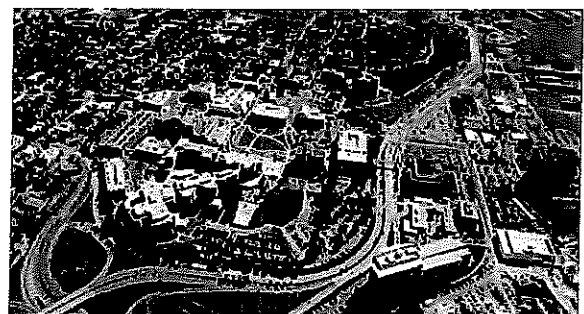
ASAHP • 122 C. St. NW • Suite 650 • Washington, DC 20001 • Phone: 202-237-6481 • Fax: 202-237-6485

APPENDIX B.4—ACADEMIC HEALTH (SCIENCES) CENTERS IN THE US

Members of the Association of Academic Health Centers (AAHC), listed on the Association’s web page, represent nearly all of the 100+ academic health centers (or academic health sciences centers) in the US:¹⁴

Baylor College of Medicine	Stanford University	University of Connecticut
Brown University	State University of New York Downstate Medical Center	University of Florida
Das Moines University-Osteopathic Medical Center	State University of New York Upstate Medical University	University of Illinois Hospital & Health Sciences System
Drexel University	Stony Brook University	University of Kansas Medical Center
Duke University	Temple University	University of Louisville
East Carolina University	Texas Tech University Health Sciences Center at El Paso	University of Maryland, Baltimore
East Tennessee State University	The Johns Hopkins University	University of Massachusetts Medical School
Eastern Virginia Medical School	The Ohio State University	University of Miami
Emory University	The Pennsylvania State University	University of Michigan
Florida International University	The Texas A&M University System Health Science Center	University of Minnesota
Georgetown University Medical Center	The University of Alabama at Birmingham	University of Missouri - Columbia
Georgia Regents University	The University of Arizona Health Sciences Center – Tucson & Phoenix	University of Missouri - Kansas City
Greenville Health System	The University of Iowa	University of Nebraska Medical Center
Harvard University	The University of New Mexico Health Sciences Center	University of North Texas Health Science Center at Fort Worth
Indiana University	The University of North Carolina at Chapel Hill	University of Oklahoma Health Sciences Center
Loma Linda University	The University of Tennessee Health Science Center	University of Pennsylvania
Louisiana State University Health Sciences Center	The University of Texas Health Science Center at Houston	University of Pittsburgh
Louisiana State University Health Sciences Center - Shreveport	The University of Texas Southwestern Medical Center at Dallas	University of Rochester
Marshall University	The University of Texas System	University of South Alabama
Medical College of Wisconsin	The University of Toledo	University of South Florida
Medical University of South Carolina	Thomas Jefferson University	University of Southern California
Meharry Medical College	Tulane University Health Sciences Center	University of Utah Health Sciences Center
Mercer University Health Sciences Center	Uniformed Services University of the Health Sciences	University of Virginia
Morehouse School of Medicine	University at Buffalo/The State University of New York	University of Washington
New York Institute of Technology	University of Arkansas for Medical Sciences	University of Wisconsin - Madison
New York Medical College	University of California System	Vanderbilt University
New York University	University of California, Davis	Virginia Commonwealth University
Northeast Ohio Medical University	University of California, Irvine	Wake Forest Baptist Medical Center
Oklahoma State University Center for Health Sciences	University of California, San Francisco	Washington University
Oregon Health & Science University	University of Central Florida	West Virginia University
Rosalind Franklin University of Medicine and Science	University of Cincinnati	Western University of Health Sciences
Rutgers Biomedical and Health Sciences	University of Colorado	Yale University

Source: Association of Academic Health Centers, <http://www.aaahc.org/About/Members.aspx>

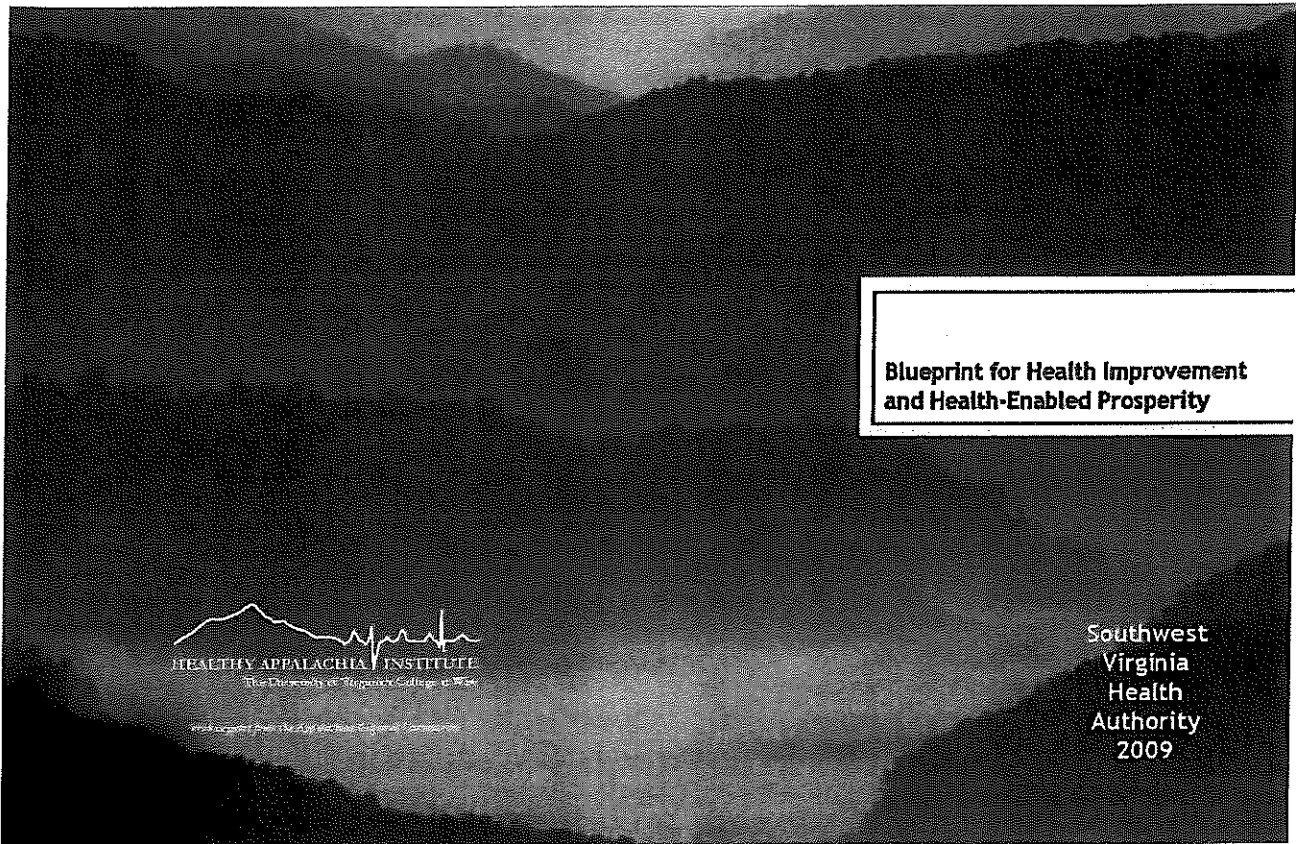


University of Virginia Health System (Charlottesville), VCU Medical Center (Richmond), and Eastern Virginia Medical Center (Norfolk)
 In Virginia, two of three academic health centers are in the eastern and central parts of the state.

¹⁴ <http://www.aaahc.org/About/Members.aspx>

APPENDIX B.5—TWO CRITICAL FRAMEWORK DOCUMENTS

Blueprint for Health Improvement and Health-Enabled Prosperity, 2009



Virginia's State Rural Health Plan



2013

Purpose:

The Virginia State Rural Health Plan (VSRHP) is a three to five year action plan with the objective of enhancing health care systems throughout rural communities. The plan provides an analysis of current health status in rural areas and presents practical strategies for improving health outcomes by broadening development in areas in addition to delivery of health care services.

Goal:

The goal of the VSRHP is to strengthen the current and future rural health infrastructure in Virginia.

APPENDIX B.6—ECONOMIC IMPACT ASSESSMENT, SEPTEMBER 2014

Weldon Cooper Center for Public Service
University of Virginia
Southwest Virginia Office
Wise, Virginia

Introduction

The Southwest Office of the Weldon Cooper Center for Public Service of the University of Virginia was asked to conduct a study of the expected economic impact of the proposed Alliance for Rural Health. The Alliance is a multi-site, multi-focus, health care project combining education, research, and health care delivery to low income communities throughout Southwest Virginia, with primary locations in Abingdon, Marion, and Grundy. This concise impact study focuses on the projected economic impact of student enrollment and faculty and staff employment over a seven year period.

It should be noted that this study is completely independent in that it in no way advocates whether this project should be pursued or whether public funds should be expended in support of its formation. Rather the study is merely intended as a tool for those interested parties to weigh the potential economic benefits of the Alliance's creation.

Process

Many economic impact studies are conducted using modeling software necessitating an outlay of large amounts of money and time. Due to time and capital restraints, this study was instead carried out with careful and conservative manual estimations in hopes of achieving a reasonable and reliable analysis of the project's overall economic impact. But regardless of the method of analysis, there is no belying the fact that any economic impact study is nothing more than a series of educated projections.

The Center used baseline data provided by the Alliance's administrative team along with previous survey data of a regional institute of higher learning and its students, faculty, and staff. This data was deemed practical for the study in that it is relatively recent and reflects an institution of higher learning in close proximity to the proposed Alliance. Adjustment to the survey data reflecting consumer price index increases over time was also included.

It should be noted that the study does make use of a multiplier which reflects the basic economic principle that a dollar spent in a community has a definitive ripple effect throughout the regional market. The multiplier factor used is a very modest, regionally acceptable measure. It should also be noted that the totals within individual and cumulative tables in the report may not precisely calculate due to rounding.

In addition, to eliminate what could have been an extremely confusing and tedious breakdown of tax revenue impact, this study also utilized a common practice of calculating a flat 5% state sales tax impact upon each applicable item. While this total is not inconsequential, it can be assumed that a portion of each total will flow to the localities rather than the state through the state sales tax law.



Overview: Alliance for Rural Health

In the briefest of terms, the Alliance for Rural Health is a project designed to establish medical education facilities in Abingdon, Marion, and Grundy, Virginia, providing much needed health care education and training, improving access to health care in the region, and having a positive economic impact in Southwest Virginia.

Note on Numbers

Projected students, faculty, and staff in this Plan / Report vary from the numbers that were used earlier, when this Economic Impact Analysis was produced. The newer numbers are significantly higher, meaning that the conclusions in this analysis are very conservative.

In consultation with Alliance leadership, baseline numbers for this study assumed:

- Allied Health, 300 students, 40 faculty, and 20 staff, at full capacity
- Optometry, 240 students, 25 faculty and 15 staff, at full capacity
- Medical School, 30 students, 10 faculty, and 5 staff, at full capacity

Using anticipated phase in projections, the following is the baseline enrollment and employment figures used for the study at large.

Student Enrollment	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Allied	30	60	240	270	300	300	300
Optometry		60	120	180	240	240	240
Medical School			15	30	30	30	30

Faculty/Staff Employed	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Allied	7/3	10/5	40/20	40/20	40/20	40/20	40/20
Optometry		12/7	18/10	25/15	25/15	25/15	25/15
Medical School			5/2	10/5	10/5	10/5	10/5

- Allied programs were assumed to average three years and graduate 180 per year.
- Optometry program was assumed to average four years and graduate 60 per year.
- Medical school was assumed to average three years residency and graduate 15 per year.

Summary Findings of the Study

The following is a composite overview of the study's findings over a seven year period using the above stated phase-in assumptions and maximum capacity across all programs by Year Five:

Annual Economic Impact	
Year 1	\$2,600,475
Year 2	\$6,290,804
Year 3	\$23,385,292
Year 4	\$22,811,108
Year 5	\$23,292,409
Year 6	\$23,292,409
Year 7	\$23,292,409
7-Year Economic Impact	\$124,964,906

Housing

Several assumptions were made in calculating the economic impact on the housing market of the region. It was assumed that all students would be “renters” and that one-half of faculty and staff would be “renters”. The other half of total employees were assumed to be “purchasers” (buying a home). It should be noted that home purchases were assumed to be a one-time expenditure, in terms of impact on the local economy, rather than a recurring expense. For simplicity’s sake, median rental values and median home values in the Abingdon area, as defined by the U.S. Census Bureau, were used in calculations and no annual increase in rent payments were included.

Housing	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Renters	<u>35</u>	<u>77</u>	<u>423</u>	<u>538</u>	<u>628</u>	<u>628</u>	<u>628</u>
@ \$7,380/yr	\$258,300	\$568,260	\$3,121,740	\$3,970,440	\$4,634,640	\$4,634,640	\$4,634,640
Purchasers	<u>5</u>	<u>12</u>	<u>30</u>	<u>10</u>	<u>0</u>	<u>0</u>	<u>0</u>
@ \$133,900	\$669,500	\$1,606,800	\$4,017,000	\$1,339,000	\$0	\$0	\$0
Direct Impact	\$927,800	\$2,175,060	\$7,138,740	\$5,309,440	\$4,634,640	\$4,634,640	\$4,634,640
Multiplier	<u>1.7115</u>	<u>1.7115</u>	<u>1.7115</u>	<u>1.7115</u>	<u>1.7115</u>	<u>1.7115</u>	<u>1.7115</u>
Total Impact	\$1,587,930	\$3,722,615	\$12,217,954	\$9,087,107	\$7,932,186	\$7,932,186	\$7,932,186

Utilities

Survey data indicated that annual utility costs averaged \$3,466 per year. To maintain conservative estimates for this study it was assumed that renters would have approximately 2/3 of that annual cost included as part of a lease agreement. It is also worthwhile to point out that utility costs do not always necessarily impact the locality in which the respondent is housed, however for the purposes of this study, it was included.

Utilities	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Renters	<u>35</u>	<u>77</u>	<u>423</u>	<u>538</u>	<u>628</u>	<u>628</u>	<u>628</u>
@ \$1,155/yr	\$40,425	\$88,935	\$488,565	\$621,390	\$725,340	\$725,340	\$725,340
Purchasers	<u>5</u>	<u>17</u>	<u>47</u>	<u>57</u>	<u>57</u>	<u>57</u>	<u>57</u>
@ \$3,466/yr	\$17,330	\$58,922	\$162,902	\$197,562	\$197,562	\$197,562	\$197,562
Direct Impact	\$57,755	\$147,857	\$651,467	\$818,952	\$922,902	\$922,902	\$922,902
Multiplier	<u>1.7115</u>	<u>1.7115</u>	<u>1.7115</u>	<u>1.7115</u>	<u>1.7115</u>	<u>1.7115</u>	<u>1.7115</u>
Total Impact	\$98,848	\$253,057	\$1,114,986	\$1,401,636	\$1,579,547	\$1,579,547	\$1,579,547

Retail Sales

Again utilizing the survey data, monthly expenditures for local retail purchases were estimated at \$682 per month for students and \$1,264 per month for faculty and staff. It must be noted that these include such items as groceries, clothing, general merchandise, transportation costs, local services, restaurant visits, etc. This approximation seems in line with common practice when one considers that most faculty and staff are traditional households with higher costs and more disposable income than students.

<u>Retail Sales</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>	<u>Year 7</u>
Students	<u>30</u>	<u>60</u>	<u>375</u>	<u>480</u>	<u>570</u>	<u>570</u>	<u>570</u>
@ \$8,189/yr	\$245,670	\$491,340	\$3,070,875	\$3,930,720	\$4,667,730	\$4,667,730	\$4,667,730
Faculty/Staff	<u>10</u>	<u>34</u>	<u>95</u>	<u>115</u>	<u>115</u>	<u>115</u>	<u>115</u>
@ \$15,168/yr	\$151,680	\$515,712	\$1,440,960	\$1,744,320	\$1,744,320	\$1,744,320	\$1,744,320
Direct Impact	\$397,350	\$1,007,052	\$4,511,835	\$5,675,040	\$6,412,050	\$6,412,050	\$6,412,050
Multiplier	<u>1.7115</u>	<u>1.7115</u>	<u>1.7115</u>	<u>1.7115</u>	<u>1.7115</u>	<u>1.7115</u>	<u>1.7115</u>
Total Impact	\$680,065	\$1,723,569	\$7,722,006	\$9,712,831	\$10,974,224	\$10,974,224	\$10,974,224

Visitors

Utilizing the survey data, the Center estimated that students would average approximately 6.18 visitors per year, with each staying 2.1 days while faculty and staff would have 12.15 visitors per year, with each staying 2.86 days. A 2013 report from the Virginia Tourism Corporation estimated an average daily expenditure of \$87.04 per person, per day.

<u>Visitors</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>	<u>Year 7</u>
Students (6.18x2.1)	<u>30</u>	<u>60</u>	<u>375</u>	<u>480</u>	<u>570</u>	<u>570</u>	<u>570</u>
"Visitor Days"	389	779	4,867	6,229	7,397	7,397	7,397
Faculty/Staff (12.15x2.86)	<u>10</u>	<u>34</u>	<u>95</u>	<u>115</u>	<u>115</u>	<u>115</u>	<u>115</u>
"Visitor Days"	347	1,181	3,301	3,996	3,996	3,996	3,996
Combined Visitor Days	737	1,960	8,168	10,226	11,394	11,394	11,394
x \$87.04 pp/day							
Direct Impact	\$64,134	\$170,611	\$710,934	\$890,034	\$991,699	\$991,699	\$991,699
Multiplier	<u>1.7115</u>	<u>1.7115</u>	<u>1.7115</u>	<u>1.7115</u>	<u>1.7115</u>	<u>1.7115</u>	<u>1.7115</u>
Total Impact	\$109,765	\$292,001	\$1,216,764	\$1,523,293	\$1,697,292	\$1,697,292	\$1,697,292

Taxes

As stated earlier, a flat 5% rate was applied to housing, utilities, retail sales, and visitors' calculations. This is obviously an oversimplification as varying rates apply, but past studies have shown that an overall view rather than getting bogged down on separate tax rates is both easier to digest and to apply in decision making outcomes. Also, the tax revenues can be expected to flow to different municipalities, whether statewide or local, but this gives a general view of the expected direct impact to the public coffers as a result of the project coming to fruition.

<u>Taxation</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>	<u>Year 7</u>
Sum of Above	\$2,476,643	\$5,991,242	\$22,271,707	\$21,724,865	\$22,183,247	\$22,183,247	\$22,183,247
Tax Impact @ 5%	\$123,832	\$299,562	\$1,113,585	\$1,086,243	\$1,109,162	\$1,109,162	\$1,109,162

Summary Findings

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Housing	\$1,587,930	\$3,722,615	\$12,217,954	\$9,087,107	\$7,932,186	\$7,932,186	\$7,932,186
Utilities	\$98,848	\$253,057	\$1,114,986	\$1,401,636	\$1,579,547	\$1,579,547	\$1,579,547
Retail Sales	\$680,065	\$1,723,569	\$7,722,006	\$9,712,831	\$10,974,224	\$10,974,224	\$10,974,224
Visitors	\$109,765	\$292,001	\$1,216,764	\$1,523,293	\$1,697,292	\$1,697,292	\$1,697,292
Taxation	\$123,832	\$299,562	\$1,113,585	\$1,086,243	\$1,109,162	\$1,109,162	\$1,109,162
Total Impact	\$2,600,439	\$6,290,805	\$23,385,295	\$22,811,110	\$23,292,411	\$23,292,411	\$23,292,411

- Note there are miniscule differences in total calculations, due to rounding throughout the study.

The direct salaries of employees were not calculated as part of the study's findings because the study's very intent is to capture the impact of those salaries on the region. To include them, in addition to the above findings, would cause the total impact to be inflated and inaccurate. However, it should be noted that if the average medical school faculty member were to command a salary of \$100,000 per year (obviously, in practice, some would be higher and some would be lower) at full capacity (75 faculty members across all disciplines), approximately \$7.5 million in new income would be at play in Southwest Virginia. In addition, with 40 staff members at an average salary of \$30,000 per year, an additional \$1.2 million in payroll would be added to the region. As such, it is easy to see how the impact estimated in this study takes root.

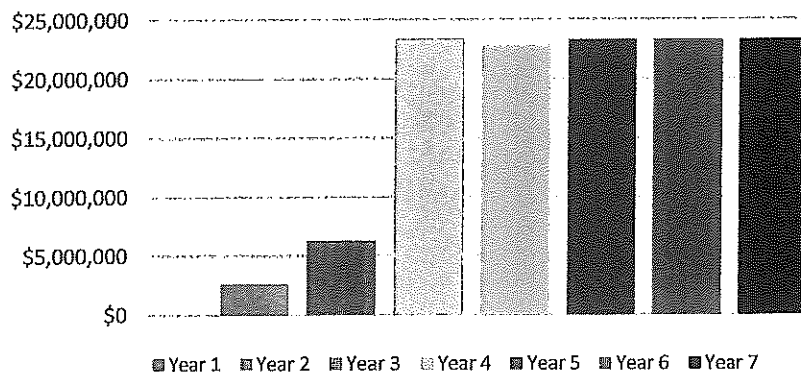
One other factor to consider, but very hard to quantify, is the short term impact on the construction industry of the region. The Alliance's initial plan is calling for a 40,000 square foot facility to be built and using industry matrices, such a project would likely provide or maintain over 200 construction jobs and 20-30 architectural and engineering jobs during this process. Local contractors, A/E firms, and suppliers would undoubtedly benefit as part of this construction.

Conclusion

As noted earlier in the report, the total seven year economic impact of the Alliance for Rural Health is estimated at nearly \$125 million, with the annual impact stabilizing at around \$23 million per year when the project is operating at full capacity.

Such a project would seem to have many ancillary benefits beyond this substantial economic impact, such as the positive impact on the region's subpar access to health care; the supplementary businesses that would likely develop and grow from the demands that the facility and it's students and employees would require; and the overall positive impact that the mere presence of a medical school would likely have on auxiliary economic development efforts.

Annual Economic Impact





APPENDIX B.7—RESERVED

APPENDIX B.8—APPRAISAL OF EMORY & HENRY SCHOOL OF HEALTH SCIENCES
MARION PROPERTY

Following are the first several pages from the appraisal.

AN APPRAISAL REPORT

On

**THE FORMER SMYTH COUNTY HOSPITAL
LOCATED AT
565 RADIO HILL ROAD, MARION,
SMYTH COUNTY, VIRGINIA**

For

Dr. Dirk Wilmoth, Ph.D.
Vice President for Business and Finance
Emory & Henry College
30461 Gamand Drive
Emory, VA 24327

Prepared By

**GREYLOCK ADVISORY GROUP, LTD.
File No. 2233**

As of

January 13, 2013



Greylock
Real Estate Consulting
and Appraisal

Charles W. Parkhurst, MAI, CCLM
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January 20, 2014

Dr. Dirk Wilmoth, Ph.D.
Vice President for Business and Finance
Emory & Henry College
30461 Garnand Drive
Emory, VA 24327

Dear Dr. Wilmoth:

At your request, we have estimated the Market Value of the former Smyth County Hospital located at 565 Radio Hill Road, Marion, Smyth County, Virginia. The ownership interest appraised is the Fee Simple Estate. We visited the subject property on January 13, 2013. The Effective Date of appraisal is January 13, 2013. The indicated Market Value of the Subject Property is \$12,500,000.

Attached is an Appraisal Report to substantiate our findings. This appraisal is prepared under the Uniform Standards of Professional Appraisal Practice (USPAP) and to the provisions of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, Title IX (FIRREA), as well as, the supplemental standards required for use in a Federally Related Transaction (FRT).

It has been a pleasure to serve you in this matter.

Respectfully,

Charles W. Parkhurst, MAI, SRA, CCIM
President
Virginia Certified Real Estate Appraiser No. 3320



On Target In The Market

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ADDENDA

- Qualifications of the Appraiser
- Assumptions and Limiting Conditions
- Appraisal Terminology
- Appraisal Engagement Letter

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SUMMARY AND CONCLUSIONS

PROPERTY IDENTIFICATION	: Former Smyth County Hospital, 565 Radio Hill Road, Marion, Smyth County, Virginia
TAX MAP NUMBERS	: 132-12-A1; 132-9-2A1, and 132-14-1
DATE OF VISIT TO THE PROPERTY	: January 13, 2013
DATE OF APPRAISAL	: January 13, 2013
PROPERTY RIGHTS	: Fee Simple Estate
IMPROVEMENT DESCRIPTION	: <i>Hospital</i> - A 132,311[sq], five-story concrete Class A hospital building built in several phases beginning in +/-1970. The building includes two working floors and three floors of patient rooms. <i>Power Plant</i> - A 4,042[sq] concrete block and brick power plant building featuring few offices and open areas for centralized HVAC furnaces and chillers. <i>Laundry Building</i> - A 2,554[sq] concrete block and wood-frame former residence converted to laundry facility feature garage and open rooms redesigned for washing machines, dryers, and folding tables. <i>Total GBA is 138,907[sq]</i>

GREYLOCK ADVISORY GROUP, LTD.

SUMMARY AND CONCLUSIONS
(Continued)

LAND AREA	: +/-12.626 Acres
SITE IMPROVEMENTS	: Two entrance canopies and +/-3.0 acres of asphalt paving providing approximately 375 parking spaces.
ZONING/CONFORMANCE	: M-A, Medical Arts/Conforming
HIGHEST AND BEST USE	: Re-Adaptation to Educational Use
MARKETING/EXPOSURE PERIOD	: 12 Months
SPECIAL CONDITIONS AND ASSUMPTIONS	There are no <i>Extraordinary Assumptions</i> or <i>Hypothetical Conditions</i> that affect the value of the subject property.
COST APPROACH	: \$12,000,000
SALES COMPARISON APPROACH	: \$13,000,000
VALUE CONCLUSION	: \$12,500,000

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Appendix C—Primary Program Partners

Appendix C.1—Emory & Henry College

Appendix C.2—Academic Health Sciences Center, East Tennessee State University

Appendix C.3—Edward Via College of Osteopathic Medicine

Appendix C.4—Mountain States Health Alliance

APPENDIX C.1—EMORY & HENRY COLLEGE

Emory & Henry College devotes itself to the belief that education can have a transformative effect on an individual, a place and ultimately, on the wider world.¹⁵

History

Founded in 1836, located in the Virginia Highlands, Emory & Henry first opened its doors to students in 1838, and today it stands as the oldest college in Southwest Virginia and one of only a few colleges in the country whose entire campus is listed on the National Historic Register. Affiliated with the United Methodist Church, Emory & Henry remains true to the principles of faith, learning, service, honesty and community that our founders set forth so many years ago.

The college is named after two influential men: Bishop John Emory, an eminent church leader, and Patrick Henry, a renowned patriot of the American Revolution and Virginia's first governor. Bishop Emory symbolizes belief in the union of faith and learning, while Governor Henry represents the commitment to the ideals of freedom and civic virtue. Together they symbolize the college's dual emphasis on spiritual growth and civic engagement.

Today, Emory & Henry is a vibrant liberal arts college comprised of young men and women from around the world. Our students gain insight into global issues and politics, knowledge of how society is shaped and governed, and realization that they can effect positive change in their world. Emory & Henry College is ranked among the top 50 liberal arts colleges in the nation.

Mission

"Increase in Excellence," the historic motto of Emory & Henry College, expresses our intention to be a learning community that moves toward fulfilling every student's potential. Bishop John EMORY, along with the founders of Methodism, symbolizes our belief in the union of faith and learning, while Governor Patrick HENRY symbolizes our commitment to freedom and civic virtue.

We affirm the Christian faith as our spiritual and moral heritage and encourage all our members to grow in faith as they grow in knowledge. We believe in the worth of each person's religious and cultural heritage, inasmuch as that heritage leads to service to others in our region and the larger world.

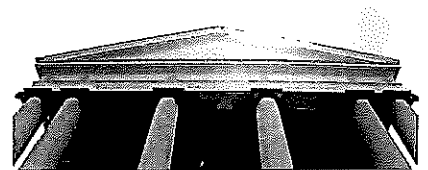
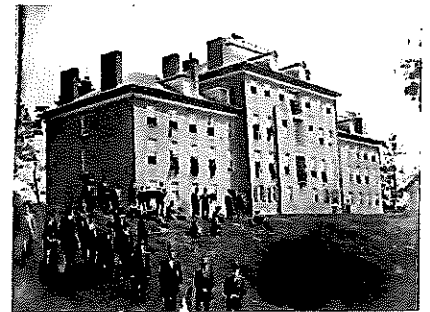
We affirm the liberal arts as our intellectual foundation and believe that excellence results when everyone actively participates in the educational process. We challenge all persons to confront historical and contemporary ideas and issues and to develop the ability to think critically about all areas of human experience.

These traditions provide the context for our pursuit of excellence, as we engage a diverse group of well-qualified men and women in educational experiences that lead to lives of service, productive careers, and global citizenship.

Vision Statement

Emory & Henry College will be a national leader in providing the highest quality liberal arts, graduate, and professional education that combines tradition and innovation as it fulfills our historic commitment to transform lives and to create positive social change in our region, our nation and the world.

EMORY & HENRY
COLLEGE



¹⁵ www.ehc.edu/



Core Values

Civic Engagement. We expect ourselves to act individually and collectively to identify and address issues of public concern through active engagement and leadership in civic life and through professions that contribute to the public good, such as teaching and health care. We encourage participation in community conversations, advocacy, service and public life at the local, national and international levels.

Vitality of Faith. We value our relationship with The United Methodist Church even as we welcome and respect persons with other faith views and commitments. We affirm the Christian faith as a guiding force in people’s lives and encourage the expression of faith in service to others.

Academic Excellence. We cultivate the highest academic quality with innovative teaching, active learning, intensive mentoring, meaningful scholarship, and intellectual challenge. We value the many relationships that allow faculty and staff to meet students on their various paths and journey with them as we all increase in excellence.

Freedom of Inquiry. We affirm our academic freedom to pursue knowledge and to question ways of thinking and doing. Because we know that learning is a lifelong journey, we ask difficult questions and seek answers wherever they may lead.

Integrity. We accept the human necessity of making difficult choices as we uphold a high standard of truth and honor. Affirming the value of ethical reasoning, we recognize our responsibility to evaluate and respond to the consequences of decisions and actions.

Community and Diversity. We appreciate individuality and treat each other with respect and fairness. We nurture a caring community that focuses on the needs of its students, faculty and staff. We believe that being open to understanding others and participating in honest discourse builds tolerance and promotes diversity and acceptance.

Place. We value our place in the Appalachian region and affirm the importance of other places in the nation and the world. We work to preserve and nurture our environment and culture and to provide models of positive change as we consider our place in a larger world.

History and Tradition. We honor traditions and values that have shaped our college for more than 170 years. Civic engagement, the vitality of faith, and the transformative nature of education, among other traditions and values, will guide us as we move into the future.

Endorsed by the Emory & Henry College Board of Trustees on March 7, 2008.
Revision approved by Emory & Henry College Board of Trustees on June 14, 2014

Programs

The College’s academic programs are organized into one school and five divisions:

School of Health Sciences	Division of Social Sciences
Division of Education	Division of Visual & Performing Arts
Division of Humanities	Division of Natural Sciences

Health Professions Education

The Emory & Henry School of Health Sciences currently includes a Doctor of Physical Therapy program (scheduled to begin January 2015), as well as undergraduate programs in Athletic Training and Pre-Health Studies. The College is in the process of pursuing accreditation for a Doctor of Optometry, and is in the process of developing graduate programs in Occupational Therapy and Physician Assistant Studies. Emory & Henry will be a major health professions education partner in the Academic Health Center of Southwest Virginia.

National Leadership in Service Learning

Corporation for National and Community Service

In 2010, the Corporation for National and Community Service named Emory & Henry College as a finalist for the 2010 President's Award, the highest federal recognition for commitment to service learning and civic engagement. In 2009, Emory & Henry was one of six colleges or universities nationwide to win the award. Making Emory & Henry one of only two institutions to be honored as either a finalist or a winner in two consecutive years since the award was established in 2006.

Newsweek and USA Today

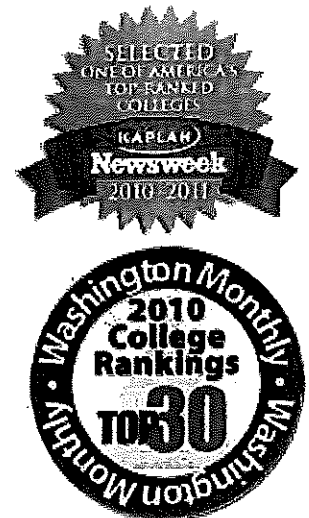
Emory & Henry was ranked among the top five colleges and universities in the nation that are most committed to community service, according to a ranking by Newsweek Magazine. A second ranking, by USA Today, listed Emory & Henry among the top 20 institutions nationwide in providing service learning.

Obama Administration

The rankings follow on the heels of an announcement made by the Obama administration that Emory & Henry was named one of 11 finalists for the 2010 President's Award, the highest federal recognition for community service given to a college or university. Last year, Emory & Henry was one of six institutions to win the award.

Washington Monthly

In addition to these rankings, *Washington Monthly*, while ranking it among the top 25 liberal arts institutions in the nation, praised the college for its commitment to service.





APPENDIX C.2—ACADEMIC HEALTH SCIENCES CENTER, EAST TENNESSEE STATE UNIVERSITY

The University



Founded in 1911 as East Tennessee Normal School, today, ETSU is a regional university under the Tennessee Board of Regents, enrolling more than 15,000 undergraduate, graduate, and professional program students. The main campus is in Johnson City, Tennessee, a town with a population of 62,000 at the northeastern edge of Tennessee, on the borders of Virginia and North Carolina. ETSU's schools and colleges include several that are health-related, comprising one of 19 comprehensive academic health sciences centers (in one location) in the US:

Academic Health Sciences	Other Colleges and Schools
■ James H. Quillen College of Medicine	■ College of Arts and Sciences
■ College of Nursing	■ Claudius G. Clemmer College of Education
■ College of Public Health	■ College of Business and Technology
■ Bill Gatton College of Pharmacy	■ Honors College
■ College of Clinical & Rehabilitative Health Sciences	■ School of Continuing Studies & Academic Outreach
	■ School of Graduate Studies

Mission



East Tennessee State University prepares students to become productive, enlightened citizens who actively serve their communities and the world. Education is the university's highest priority, and the institution is committed to increasing the level of educational attainment in the state and region. The university conducts a wide array of educational and research programs and clinical services and is the only Academic Health Sciences Center in the Tennessee Board of Regents System. Through research, creative activity and public service ETSU advances the cultural, intellectual and economic development of the region and the world.

- ETSU endorses the value of liberal education and provides enriching experiences in honors education, student research and creative activity, study abroad, service learning, and community-based education.
- ETSU honors and preserves the rich heritage of Southern Appalachia through distinctive education, research and service programs and is actively engaged in regional stewardship.
- ETSU affirms the contributions of diverse people, cultures and thought to intellectual, social and economic development.
- ETSU offers students a total university experience that includes cultural and artistic programs, diverse student activities, a variety of residential opportunities, and outstanding recreational and intercollegiate athletic programs.
- ETSU awards degrees in over one hundred baccalaureate, masters and doctoral programs, including distinctive interdisciplinary programs and distance education offerings that serve students from the region and beyond.

Campus / Facilities



- Over 350-acre Main Campus; more than 60 academic and administrative buildings, and approximately 3 MM GSF
- 31 acres at the Veterans Affairs (VA) campus where the James H. Quillen College of Medicine (COM) is located; 10 academic / administrative buildings at VA COM campus, approximately 625,000 GSF

The Academic Health Sciences Center

James H. Quillen College of Medicine
College of Clinical and Rehabilitative Health Sciences

College of Nursing

College of Public Health
Bill Gatton College of Pharmacy



EAST TENNESSEE STATE
UNIVERSITY

Academic Health Sciences Center

East Tennessee State University is the flagship health sciences institution for the Tennessee Board of Regents System offering more than 25 programs of study at the undergraduate, graduate, and 10 doctoral levels as well as accredited residency training programs in the Colleges of Medicine and Pharmacy. The Academic Health Sciences has been in the forefront of inter-professional education since earning a Kellogg Grant in the early 1990's. We believe it is important to provide graduates who can work in health care teams to provide collaborative care to those we serve. Efforts to improve rural health care have earned East Tennessee State University considerable recognition at the national level including being recognized as the National Rural Health Program of the Year by the National Rural Health Association. The Academic Health Sciences conducts research to improve health and well-being. Our researchers are nationally and internationally renowned scholars who are mentoring a new generation of scientists. Our faculty and students are conducting research to better understand health issues specific to rural areas, and we are forming partnerships with local residents in many outlying counties and working with them to identify and to address health concerns within their own communities. The recent inter-professional grant award from NIDA-DIDARP to study prescription drug abuse is an excellent example of research that makes a difference to peoples' lives.

Academic Health Sciences Highlights

Current Number of Students enrolled in all programs: 4,091

Clinical and Rehabilitative Health Sciences - (Founded in 2007 with division of the College of Public & Allied Health)

- Offers programs that address workforce shortage issues – always waiting list
- Audiology/Speech Pathology/Physical Therapy/Nutrition & Dietetics/Respiratory Therapy/Radiography/& Dental Hygiene
- Over 10,000 visits annually to their Dental Hygiene/SPL/ and Autism clinics with a growing presence in the JCCHC with interdisciplinary clinics with Nursing
- Programs at BS, MS, and doctoral level (DPT and AuD)

Medicine - 40th Anniversary Year

- >1800 graduates and ~50% of those graduates practice in Tennessee
- 38,000 patient encounters/month
- Ranked 1st in Nation in producing primary care physicians
- Consistently ranked in top 10 in the nation for rural medicine
- Admits 72 medical students per year
- Rural health track is a four year curriculum which rotates students in that track to Rogersville and Mountain City, TN (assigned one day/week in first and second year and in the third year they spend 3 months in the community with option to spend 2 months in the 4th year)
- 6 week Community Medicine clerkship rotation for 3rd year medical students in the generalist track in Sevierville, TN
- 14 residency programs and a Family Medicine Rural Fellowship. Residencies are in Family Medicine, Internal Medicine, Infectious Disease, Cardiology, Oncology, Pulmonary & Critical Care, Gastroenterology, Obstetrics & Gynecology, Pathology, Pediatrics, Psychiatry, and Surgery
- Of the 279 approved residency positions, 263.35 are currently funded

Nursing – 60th Anniversary Year

- Largest College of Nursing in the State of Tennessee with >1100 students (768 u/g and 465 graduate)
- Offers BSN, MSN, DNP, and PhD
- 11 nurse managed clinics (moving to 12 next year) recently received a \$9million stimulus grant to build the new JCCHC replacing the JC Downtown clinic which is the 5th oldest Nurse managed clinic in the country

Pharmacy – Founded 2005

- Nation's only privately funded pharmacy school in a state institution
- Admit 80 students/year and has a 97.5% graduation rate of all admitted students
- 72% of students from Southern Appalachian region and represent 31 states across nation
- PGY2 residencies in ambulatory care and internal medicine
- Joint PharmD-MPH, Pharm D-MBA

Public Health – (Founded in 2007 with the division of the College of Public and Allied Health)

- Only currently accredited college of public health in Tennessee
- Attracts students from across Tennessee, 44 states and 39 countries in past three years
- Houses the Tennessee Institute of Public Health which has increased awareness of major population health problems in Tennessee through the County Health Ratings that are released yearly.
- With strong emphasis in biostatistics and epidemiology, actively involved with the State Department of Health to better understand population health in our region and the state
- Bachelors and Masters degrees in Environmental Health, Biostatistics, Community Health, Epidemiology, Health Service Administration; Bachelors in Health Sciences with concentrations in Microbiology and Human Health; DrPH in Community Health and Epidemiology, PhD in Environmental Health Sciences; Joint MD/MPH and PharmD/MPH



**EAST TENNESSEE STATE
UNIVERSITY**
Academic Health Sciences Center

Quillen College of Medicine, ETSU

Programs

- MD
- MD/MPH
- PhD/Masters
- Residencies (GME)

Departments and Clinical Departments

- Biomedical Graduate Program
- Department of Biomedical Sciences
- Family Medicine
- Internal Medicine
- Obstetrics and Gynecology
- Pathology
- Pediatrics
- Pediatrics-EPIC
- Psychiatry and Behavioral Sciences
- Surgery

Quillen College of Medicine¹⁶

Mission

The primary mission of the Quillen College of Medicine is to educate future physicians, especially those with an interest in primary care, to practice in underserved rural communities. In addition, the College is committed to excellence in biomedical research and is dedicated to the improvement of health care in Northeast Tennessee and the surrounding Appalachian Region.

The Quillen College of Medicine endeavors to meet community and regional health needs by identification, creation, and execution of the necessary programs through utilization of its diverse resources. The college is a major health care provider for East Tennessee. In view of this responsibility, the college emphasizes primary care as the focus of medical practice and training programs. The primary care physician is defined as the physician of first and continuing contact, coordinating the entire care of the patient. Primary medical care is a function rather than a discipline. This care is provided by family physicians, general internists, general pediatricians, and obstetricians/gynecologists.

The Quillen College of Medicine has an experienced and qualified faculty in the biological, behavioral, and clinical sciences. In addition to the full-time faculty, a number of practicing physicians in the community participate in the educational process as both part-time and volunteer faculty.

History

East Tennessee State University's Quillen College of Medicine is the only medical school in the Tennessee Board of Regents System and, with the College of Nursing, College of Clinical and Rehabilitative Health Sciences, Gatton College of Pharmacy, and College of Public Health, serves as the system's health sciences center. In just three decades, the College has developed into one of the nation's leading schools for rural medicine and primary care training, an honor consistently recognized by U.S. News & World Report.

Founded in 1974 on a mission to train primary care physicians and to increase the number of doctors in rural communities, the Quillen College of Medicine, with more than 1,500 graduates, has remained true to its original mission. Thirty-five years later, Fitzhugh Mullan published his innovative "social mission" research in the *Annals of Internal Medicine*, demonstrating that Quillen is ranked first in the nation for primary care graduates.



¹⁶ <http://www.etsu.edu/com/>

Graduate Medical Education

Goals of the Graduate Medical Education Program are to:

3. Provide excellent training for both primary care and specialist physicians, with emphasis on training primary care physicians to serve the rural environment
4. Promote an academic environment that nurtures both research and scholarly activity, at both the resident and faculty level
5. Strengthen public/private partnerships with surrounding health care related institutions
6. Enhance delivery of patient care services to our region
7. To gain recognition by both the region's public and professional community as the center for excellent healthcare delivery and research in NE Tennessee and Southwest Virginia.



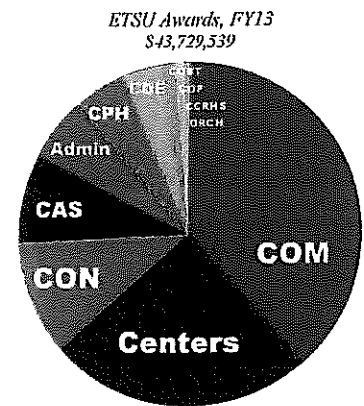
Research / Sponsored Programs

In addition to meeting the clinical and service responsibilities, the Quillen College also supports a significant research endeavor. Medicine and Health account for most of ETSU's research and sponsored programs.

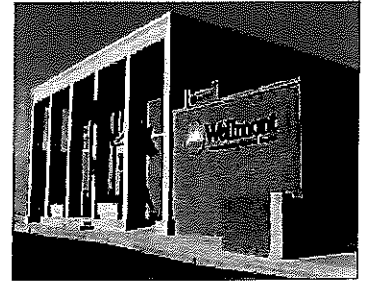
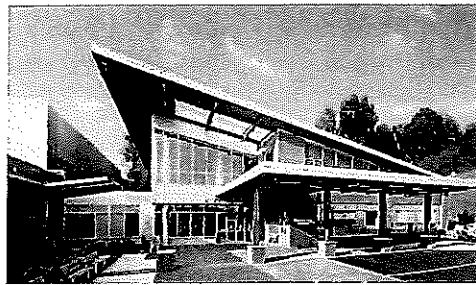
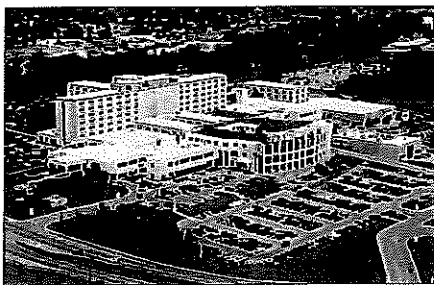
Clinical Affiliations

Instead of having one teaching hospital, the Quillen College of Medicine has a broad patient base in the Tri-Cities region with training in every area of primary and tertiary care medicine. Students are provided access to more than 3,000 patient beds in affiliated hospitals. Major teaching hospitals include facilities in Johnson City, Mountain Home, Mountain City, Bristol, Rogersville, Kingsport, and Sevierville:

Johnson City Medical Center	Franklin Woods Community Hospital
James H. Quillen VA Medical Center	Indian Path Medical Center
Wellmont-Holston Valley Hospital Medical Center	Johnson County Community Hospital
Wellmont-Bristol Regional Medical Center	Hawkins County Hospital
Woodridge Hospital	Leconte Medical Center



College of Medicine	\$16,882,026	38.42%	College of Education	\$1,665,998	3.81%
Centers	\$10,907,182	24.94%	College of Business and Technology	\$553,417	1.27%
College of Nursing	\$4,723,186	10.80%	College of Pharmacy	\$357,192	0.82%
College of Arts and Sciences	\$3,671,790	8.39%	College of Clinical and Rehabilitative Health Sciences	\$205,581	0.47%
Administrative Offices of Academic Affairs and Finance and Administration	\$2,562,650	5.86%	Office of Rural and Community Health	60,000	0.14%
College of Public Health	\$2,190,328	5.01%			



Bill Gatton College of Pharmacy¹⁷

Vision

To become a recognized leader of pharmacy education in the Southeast

Mission

To develop progressive pharmacists that improve healthcare, focusing on rural and underserved communities

The College accomplishes this mission by:

- Providing outstanding education with emphasis on inter-professional training
- Developing and delivering exceptional direct patient care
- Conducting innovative research and scholarship
- Engaging and serving the university, community, and profession

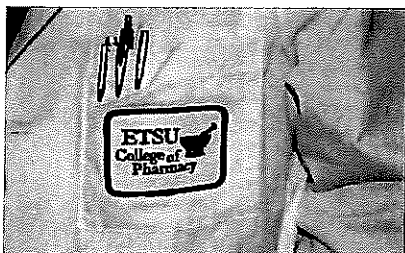
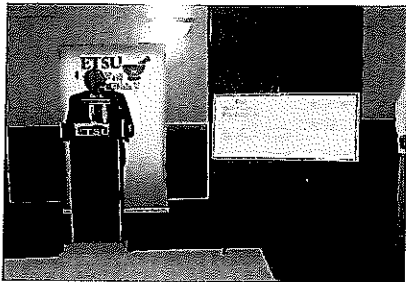
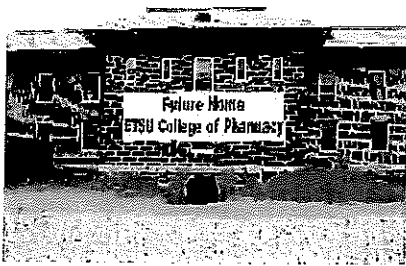
History

For many years, the pharmacists of the Northeast Tennessee and the Southern Appalachian Region had been encouraging East Tennessee State University to develop a pharmacy school. To the pharmacists practicing in this area, it seemed to be a natural fit since the university had a division of health sciences including a college of medicine, college of nursing, college of allied health and college of public health. The state's only pharmacy school, the University of Tennessee, was located in Memphis, over 550 miles away. Most students in this region were choosing to attend private schools or pay out-of-state tuition in order to stay close to home.

In 2004, a group of concerned citizens, including regional pharmacy leaders, approached the leadership of East Tennessee State University and Dr. Paul E. Stanton, Jr., president of the university, to once again consider the establishment of a college of pharmacy. Dr. Stanton developed a working group that was led by Dr. Ron Franks, who, at that time, was serving as both the dean of the college of medicine and the vice president for health affairs. Given the fact that the state's only public college of pharmacy was itself underfunded, it was obvious that to approach the legislature for the state of Tennessee to fund a second college of pharmacy would be impractical. This Steering Committee developed a model of a private college of pharmacy (funded through donations and tuition) that would reside in a state institution and become part of the Division of Health Sciences.

Governor Phil Bredesen challenged the citizens of Northeast Tennessee and the Southern Appalachian Region to raise \$5 million in ninety days in order to show support of this initiative. The community raised \$5 million in 58 days. That show of financial support and initiative resulted in the approval of the East Tennessee State University College of Pharmacy by the Tennessee Board of Regents and the Tennessee Higher Education Commission in 2005.

The primary donor for the college of pharmacy was Mr. Bill Gatton, a local automobile dealer with a history of supporting educational efforts. The college was named in honor of Mr. Gatton in 2007.



¹⁷ <http://www.etsu.edu/pharmacy/>

APPENDIX C.3—EDWARD VIA COLLEGE OF OSTEOPATHIC MEDICINE

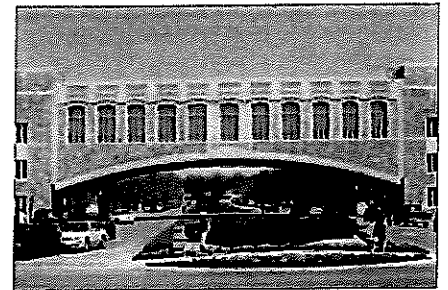
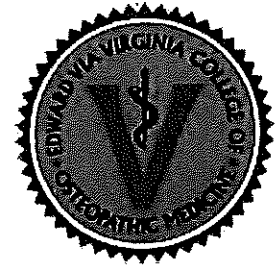
The Edward Via College of Osteopathic Medicine is a professional graduate college offering the degree of Doctor of Osteopathic Medicine (DO). VCOM—Virginia operates with a collaborative agreement with Virginia Tech for education, research, and student activities.

Shortage of Rural Physicians¹⁸

The decision to establish the College was made after the leaders of the Harvey W. Peters Research Foundation and Virginia Polytechnic Institute and State University (Virginia Tech) studied the health care needs of Virginia. That study revealed that the Southside and Southwest geographical areas of Virginia had an extreme health care shortage, with 30 counties considered to have critical shortages (HPSA) designations and greater than 70 having medically underserved areas (MUAs). The three existing medical schools in Virginia, being located in the eastern half of the state, were producing a relatively small number of primary care physicians or physicians for Southwest Virginia. Moreover, few graduates chose primary care. It was evident from the study that the health care shortage in Virginia would continue to grow. In addition, a 2002 national study, reported initially in *Health Affairs*, estimated a shortage of 50,000 physicians by 2010 and shortage of more than 100,000 physicians by 2020. The need was evident, and plans to establish the first College moved forward.

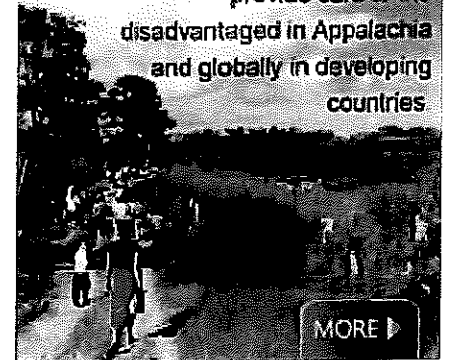
The Founding of the College

VCOM is a non-profit, private 501 c-3 charitable organization initially funded by several foundations that were established by the late Marion Bradley Via to benefit Virginia Tech and Southwest Virginia. Marion Bradley's son, Edward Via, was the person instrumental in funding this initiative. John Rocovich J.D., LL.M. and Sue Ellen Rocovich, D.O., Ph.D. were the individuals instrumental in founding the Edward Via College of Osteopathic Medicine, laying all the groundwork to establish the College. At the time of initial development, VCOM's vision was to provide health care for Southwest Virginia, Western North Carolina, and the Appalachian Region, and to promote biomedical research with Virginia Tech. In 2001, VCOM hired the founding President, James Wolfe, Ph.D. and the founding Executive Vice President and Dean, Dixie Tooke-Rawlins, D.O. This team of individuals developed the Edward Via College of Osteopathic Medicine in the Corporate Research Center of Virginia Tech including facility plans and building, academic program planning, accreditation approvals, and the hiring of the initial faculty and staff. The College opened its doors to the first students in fall of 2003 and graduated the first class in 2007.



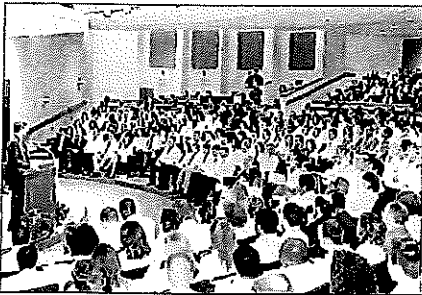
INTERNATIONAL & APPALACHIAN OUTREACH

Medical Missions at VCOM
provide care to the
disadvantaged in Appalachia
and globally in developing
countries



¹⁸ <http://www.vcom.edu/aboutvcom/history.html>

Mission and Objectives



The MISSION of the Edward Via College of Osteopathic Medicine (VCOM) is best described through both the primary mission and the goals of the institution. The MISSION of the Edward Via College of Osteopathic Medicine (VCOM) is to prepare globally-minded, community-focused physicians to meet the needs of rural and medically underserved populations and promote research to improve human health.

Goal 1: To provide education in the art and science of osteopathic medicine.

Priority 1: To provide osteopathic medical education and research focused on evidence based medicine, patient centered care, the body's innate ability to heal, the relationship of structure to function, and the clinical application of osteopathic manipulation.

Priority 2: To prepare students and measure their performance in the osteopathic medical competencies.

Priority 3: To prepare students to successfully pass all levels of COMLEX USA examinations.

Priority 4: To prepare students to successfully match into accredited residency programs.

Priority 5: To foster a culture of faculty growth and institutional excellence through:

- CME and faculty development;
- Continuous examination, review and update of curriculum and recognition for excellence in teaching;
- Annual review and research on new developments in medical education, new delivery models and technology; and
- Support for faculty research, innovation, and scholarly work in the areas of biomedical, clinical, educational, public health and health policy research.

Priority 6: To support the osteopathic medical education continuum, including on campus preclinical education and high quality, structured community based clinical graduate medical education.

Goal 2: To recruit and graduate students who will address health care disparities including those related to rural locations, minority populations, poverty status, and primary care.

Priority 1: Recruit students from, and educate students in the socioeconomically depressed regions of Virginia, North Carolina, South Carolina, and Alabama, especially those in Appalachia and the tobacco and cotton regions of the Southern States.

Priority 2: Recruit students with a strong desire to care for medically underserved populations.

Priority 3: To foster medical students with a desire and demonstrated commitment to an enhanced understanding of global healthcare and disaster medicine.

Priority 4: To foster primary care, and healthcare for medically underserved populations.

Goal 3: To generate, promote, and disseminate medical knowledge in disease prevention, chronic disease management, community health, and public health practices through Appalachian and International outreach programs.

Goal 4: To advance scientific knowledge through medical research.

Priority 1: Biomedical Research

Priority 2: Clinical Research

Priority 3: Educational Research/Osteopathic Principles and Practice

APPENDIX C.4—MOUNTAIN STATES HEALTH ALLIANCE

Mountain States Health Alliance (MSHA), formed in 1998, is the largest health care system in Northeast Tennessee and Southwest Virginia. Approximately 9,000 team members, associated physicians, and volunteers bring loving care to health care every day in all the system’s facilities.¹⁹



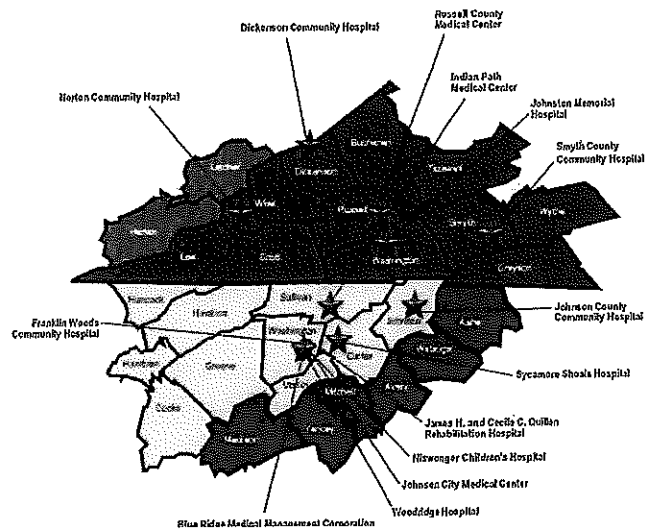
Service Area

The System’s service area includes the nine (9) counties defined for this region plus two more in Virginia; ten (10) counties in Eastern Tennessee; two (2) counties in Eastern Kentucky; and six (6) counties in northwest North Carolina.

Clinical Facilities

MSHA’s family of hospitals includes:

Dickenson Community Hospital	Norton Community Hospital
Franklin Woods Community Hospital	James H. and Cecile C. Quillen Rehabilitation Hospital
Indian Path Medical Center	Russell County Medical Center
Johnson City Medical Center	Smyth County Community Hospital
Johnson County Community Hospital	Sycamore Shoals Hospital
Johnston Memorial Hospital	Woodridge Hospital
Niswonger Children’s Hospital	



* Represents a county in which MSHA owns a facility. MSHA has part-ownership in other hospitals, not shown.

In addition to its hospitals, MSHA’s integrated health care delivery system includes 21 primary / preventive care centers and numerous outpatient care sites, including First Assist Urgent Care, MedWorks, and Same Day Surgery.

Services

A wide range of clinical services is provided.

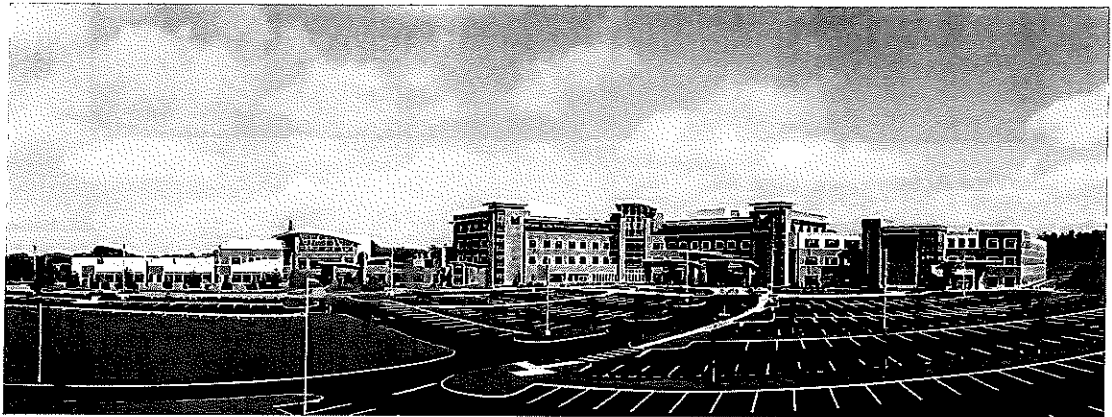
Acute Care • Critical Care Unit • Family Birth Center • Joint Replacement Center • Medical Observation Unit • Medical-Surgical Unit • Progressive Care Unit Cancer - Mountain States Cancer Care • Medical Oncology • Radiation Oncology	Cardiology - Mountain States Heart Care • Cardiac and Pulmonary Rehabilitation • Cardiac Cath Lab • Chest Pain Center • Interventional Cardiology Diabetes Care Center Emergency Medicine Laboratory Mountain States Pharmacy Mountain States Wound Care and Hyperbaric Medicine Nutritional Services Palliative Care	Pastoral Care Patient Education Patient Resources Management/Case Management Radiology - Mountain States Imaging • Diagnostic Imaging • Interventional Radiology • Respiratory Care Stroke Center (Certified Primary Stroke Center) Surgical Services - including endoscopy Therapy Services - Inpatient • Physical, occupational & speech therapy
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¹⁹ www.msha.com/



Johnston Memorial Hospital

Johnston Memorial Hospital in Abingdon, VA is a not-for-profit, 116-bed modern medical facility dedicated to bringing quality health care to the residents of this region. It is the first "green" hospital in Southwest Virginia, offering a full array of medical services, and a member of Mountain States Health Alliance.



JMH Services

• Behavioral Health	• Hospice	• Sleep Services
• Business Health	• Laboratory Services	• Spiritual & Pastoral Care
• Cancer Care	• Mountain States Medical Group	• Surgical Services
• Cardiovascular Services	• Orthopedics and Neurology	• Trauma Center***
• Children's Health*	• Outpatient Services	• Wellness Centers
• Community Health & Wellness	• Radiology (Diagnostic Imaging)	• Women's Services
• Full Service Emergency Departments	• Rehabilitative Services	• Wound Care
• Home Care		

*Children's Health includes affiliations with Cincinnati Children's Hospital and St. Jude's Children's Hospital

**Diagnostic Imaging includes MRI, X-ray, Ultrasound, CT Scan, and Nuclear Medicine

***Trauma Center at Johnson City Medical Center



Appendix D—Additional Program Partners in Phase 1

Appendix D.1—University of Virginia School of Medicine

Appendix D.2—Stone Mountain Health Services

APPENDIX D.3—UNIVERSITY OF VIRGINIA SCHOOL OF MEDICINE²⁰

Mission and Values

At the University of Virginia School of Medicine, our primary purpose is to educate and train physicians to help people achieve healthy productive lives and advance knowledge in the medical sciences. At the heart of medical education at UVA are the core values of:

- Attracting, motivating and guiding outstanding people by nurturing the dreams of those embarking on a career in medicine,
- Engaging the creative abilities of people to generate new knowledge and improve the quality of life, and...
- Fostering excellence in medical education by blending compassion, technical ability and thirst for knowledge.
- The University of Virginia School of Medicine has a long tradition of excellence in a highly collaborative atmosphere within the School, the Health System, across the grounds, and throughout the Commonwealth and beyond.

From the webpage:

We at the UVA School of Medicine are serving as a national model for excellence through innovation and collaboration. We find innovative ways to improve health by building on the firmest of foundations: the pyramid of education, research, patient care, and service to the community.

The structure is so strong because each part of the pyramid contributes to the other: we teach students in the health professions at all levels, including our colleagues, and at the same time learn from all of them, making patient care better.

We advance knowledge through research at the fundamental level and translate that research for the benefit of our patients. We treat each of our patients with compassion and respect, and we not only make the community healthier, we also serve as volunteers and advisers to the Commonwealth and the nation.

We are creating models in a number of areas such as translational research, superior patient service access and care, distributed networks serving patients at a distance, use of electronic data for the most effective and efficient care, optimal education based upon what the learner needs to know and how best to teach, as well as models for policy.

In the words of Thomas Jefferson about the University he founded: "A blessing to my state, and not unuseful to some others."

Graduate Medical Education

The University of Virginia is committed to establishing and maintaining high quality Graduate Medical Education training programs. The Medical Center and School of Medicine provide the diverse patient population, dedicated faculty, excellent clinical and basic science departments, and nationally recognized research programs required to create an environment optimal for learning and for the development of future leaders in the art and science of medicine. UVA offers training in 71 ACGME-accredited specialties and subspecialties, and numerous other specialized training programs are available.

Research

Research is a major function of the School of Medicine and Health System. Research Centers, Institutes and Programs are as shown adjacent.

Community Orientation and Special Centers

Among special centers are:

Blue Ridge Poison Center (BPRC)	Pfizer Initiative in International Health
Biomedical Ethics and Humanities	UVA C.A.R.E.
Global Health	Kluge Children's Rehabilitation Center
Health Disparities	Diabetes Community Network Services
Study of Complementary and Alternative Therapies	Teen Health Center



School of Medicine Research Centers:

- Cancer Center
- Beirne B. Carter Center for Immunology Research
- Center for Public Health Genomics
- Paul Mellon Prostate Cancer Research Institute
- Robert M. Berne Cardiovascular Research Center
- Other Research Centers, Institutes, and Programs:**
- Asthma and Allergic Diseases Center (Dept. of Medicine)
- Gordie Center for Substance Abuse Prevention (UVA Student Health)
- Center for Biomedical Ethics and Humanities (SOM)
- Center for Cell Clearance (Microbiology)
- Center for Cell Signaling (Microbiology)
- Center for Global Health (institutional)
- Center for Immunity, Inflammation and Regenerative Medicine (Dept. of Medicine)
- Center for Membrane Biology (Molecular Physiology)
- Center for Research in Reproduction (Dept. of Medicine)
- Center on Health Disparities (School of Medicine)
- Diabetes Center (Dept. of Medicine)
- Human Immune Therapy Center (Surgery)
- Institute of Law, Psychiatry and Public Policy (institutional)
- International Health Care Worker Safety Center (Dept. of Medicine)
- Keck Center for Cellular Imaging (institutional)
- Myles H. Thaler Center for AIDS & Human Retrovirus Research (Microbiology)
- Nephrology Clinical Research Center (Dept. of Medicine)

²⁰ <http://www.medicine.virginia.edu>



APPENDIX D.2—STONE MOUNTAIN HEALTH SERVICES

The Entity and Clinic Locations in Southwest Virginia

The St. Charles Health Council, Inc., d/b/a Stone Mountain Health Services (SMHS), operates eleven primary health care community health centers, one dental clinic and two respiratory care clinics (funded through the Office of Rural Health, Black Lung Program).

These clinics are strategically located in the seven counties of extreme southwest Virginia which border the states of Tennessee, Kentucky, West Virginia and North Carolina. These seven counties are Buchanan County, Dickenson County, Lee County, Russell County, Smyth County, Washington County, and Wise County.

The St. Charles Health Council, Inc. opened the first community health clinic in the coal mining town of St. Charles, located in Lee County in 1976. Since then, the organization has grown in response to community need to its present size. Five of the seven counties served (Buchanan, Dickenson, Lee, Russell, and Wise) are the coal-producing counties of the Commonwealth



Services Provided

Stone Mountain Health Services (SMHS) provides the following services:

General primary medical care	Voluntary family planning	Obstetrical care (by referral)
Diagnostic laboratory services	Immunizations	Prenatal and perinatal services (both by SMHS and by referral)
Diagnostic x-ray services	Well child services	Preventive dental
Screening for cancer, communicable diseases, cholesterol, and blood lead levels	Gynecological care	Substance abuse services including detoxification and outpatient treatment

Other services provided include:

Case management (counseling/assessment)	Health education	Dental restorative services
Referral	Outreach	Dental emergency services
Follow-up/discharge planning	Substance abuse services including harm/risk reduction	Behavioral health treatment/counseling
Eligibility assistance	Urgent medical care	Behavioral health development screening.

SMHS provides the following services by referral:

Emergency medical services	Substance abuse residential treatment and rehabilitation
Referral to behavioral health	Translation
Referral to substance abuse	24 hour behavioral health crisis treatment
Referral to Specialty services	WIC

Three Stone Mountain Health Services physicians are licensed to prescribe Buprenorphine and one has incorporated this treatment modality into his primary care practice.

Other activities that SMHS performs within the service area include:

Participation in health fairs	Mental/behavioral health counseling, evaluations and plan of care at local Departments of Social Services
Portable clinical care such as sports physicals at local schools	Hospital admissions and daily rounds with admission of unattached emergency patients
Benefit counseling for Black Lung Patients	Health education sessions at various public buildings and/or meeting places within the service area
Nursing home rounds	

Appendix E—Potential, Future Program Partners—Future Programs / Phases

Appendix E.1—University of Virginia, College at Wise

Appendix E.2—Virginia Appalachian Tri-College Nursing Program

Appendix E.3—Appalachian College of Pharmacy

Appendix E.4—DeBusk College of Osteopathic Medicine, Lincoln Memorial University

Appendix E.5—Virginia Commonwealth School of Dentistry

Appendix E.6—Southwest Virginia Community Health Systems

Note: These institutions have not yet been part of the dialogue or planning for the *Academic Health Center of Southwest Virginia* initiative. They have made no commitments to this project.

They are listed and described here, only to indicate that we have intentions of seeking to work with them as additional program planning proceeds beyond the current Phase 1 plans.

APPENDIX E.1—UNIVERSITY OF VIRGINIA COLLEGE AT WISE²¹

Overview

A public, four-year residential college located in the mountains of Southwestern Virginia, the University of Virginia's College at Wise is recognized as one of the top public liberal arts colleges in the nation. The only branch campus of the University of Virginia, UVa-Wise was founded in 1954 and currently enrolls 2,000 students.

UVA
WISE

THE UNIVERSITY OF VIRGINIA'S
COLLEGE AT WISE

UVa-Wise is home to Virginia's only undergraduate degree program in software engineering. UVa-Wise offers 30 majors, 32 minors, seven pre-professional programs and 24 teaching licensures.

For several consecutive years, students at UVa-Wise have graduated with the lowest debt load of any public liberal arts college in the nation, according to *U.S. News and World Report*. UVa-Wise has been selected for inclusion in "Colleges of Distinction," which recognizes institutions for engaged students, great teaching, vibrant communities, and successful outcomes.

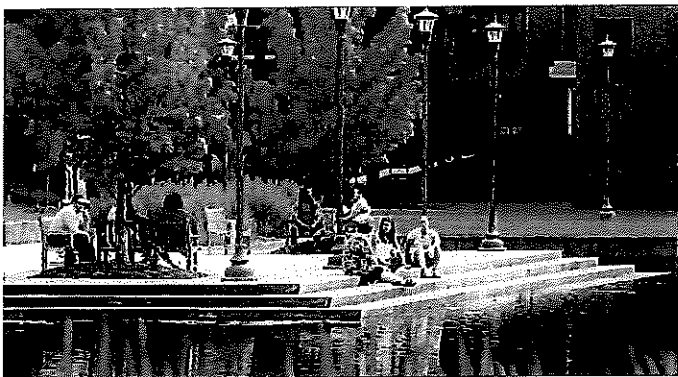
Nursing Program

The Department of Nursing offers a program of study leading to the Bachelor of Science in Nursing degree (BSN). This program is fully approved by the Virginia State Board of Nursing and has been granted unconditional accreditation by the Commission on Collegiate Nursing Education. After completing prerequisite courses, students may apply for admission to the nursing major, which has two tracks. Upon completion of the general education courses and the required nursing courses, the student will have accrued a total of 120 hours for graduation.

The *Pre-Licensure Program* is for students who wish to earn a BSN and take the registered nurse licensure examination, the National Council Licensure Examination (NCLEX-RN). Once admitted to the nursing major, students in the Traditional Program must enroll full-time.

The *RN to BSN Program* is a program for registered nurses who have either a diploma or an associate degree in nursing. The RN to BSN Program has been specifically designed for the working registered nurse student, and is offered on the Wise campus and at the Southwest Virginia Higher Education Center in Abingdon. Students may enroll full-time or part-time in this program.

The mission of the nursing program is to prepare graduates with a liberal education, expanded knowledge about nursing and health care, competence in nursing practice, preparation for graduate study, and tools for lifelong learning. The program prepares professional nurses able to practice in a caring manner on a regional, national, and global level.



²¹ <http://www.uvawise.edu>



APPENDIX E.2—VIRGINIA APPALACHIAN TRI-COLLEGE NURSING PROGRAM

The Virginia Appalachian Tri-college Nursing Program (VATNP)²² is a consortium of three community colleges, Virginia Highlands Community College, Southwest Virginia Community College and Mountain Empire Community College.

The VATNP is a 69 semester credit course of study leading to an Associate in Applied Science in Nursing. Associate degree nursing programs are designed to prepare selected students to take the National Council Licensure Exam—Registered Nurse (NCLEX-RN) and to perform direct patient care primarily in acute care settings and under supervision of the more experienced Registered Nurse.



History and Accreditation

In Fall 1972, the Nursing Program began as a two college program (Virginia Highlands Community College and Southwest Virginia Community College) with 34 students, three faculty members, the Director and a secretary. All nursing courses were taught on the Virginia Highlands Community College campus.

In 1975, an agreement was made with Mountain Empire Community College that allowed 12 students from that region to enter the program. In the summer of 1976, the three college program was approved and the name became the **Virginia Appalachian Tricollege Nursing Program**. Also in 1976, the program received accreditation from the Accrediting Commission for Education in Nursing (ACEN) (3343 Peachtree Road NE, Suite 850, Atlanta, Georgia 30326, www.acen.org) and has been continually accredited since that time. The program is approved by the Virginia Board of Nursing. In 1984, an additional section was added at Southwest Virginia Community College. This part of the program is located in Grundy, VA.

With this new three college program, first year nursing courses and support courses were offered at all three campuses, with second year nursing courses still taught at Virginia Highlands Community College. In 1984, an additional section was added at Southwest Virginia Community College. This part of the program is located in Grundy.

In 2005, the program received significant grants from the Virginia Tobacco Commission and the US Department of Health. These grants enabled the program to offer the curriculum at each campus on a part-time evening/weekend schedule for working adults.

In 2010, the program received grant funding from the Virginia Tobacco Commission and the US Department of Health to develop a nursing curriculum that would include use of health care technologies and informatics. In addition, the grants provided a state of the art centralized technology and simulation center at VHCC to provide simulated clinical experiences for all VATNP students. Currently, the part-time evening/weekend program is funded by Mountain States Health Alliance.

Enrollment on each campus has steadily increased and the program now accepts 150 to 200 new students each year with a total enrollment of approximately 400 students. The program is able to offer the majority of students their clinical experience close to their home campus. Since its beginning in 1972, the program has graduated more than 4,000 students.

VATNP NCLEX Pass Rate

Year	Total # Passed	Total # Candidates	% of Students Passed
2006	134	156	85.9%
2007	105	155	67.7%
2008	109	138	79.0%
2009	113	129	87.6%
2010	136	154	88.3%
2011	142	180	78.9%
2012	130	155	83.9%
2013	151	156	85.1%



²² <http://vhcc2.vhcc.edu/vainp/>

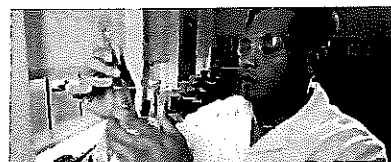
APPENDIX E.3—APPALACHIAN COLLEGE OF PHARMACY²³

Fully accredited by the Accreditation Council for Pharmacy Education (ACPE), the Appalachian College of Pharmacy is the only three-year doctor of pharmacy program in the Commonwealth of Virginia. That means students graduate and enter the work force a year earlier than graduates of a traditional four-year program, and they do so with equivalent classroom hours, clinical training, professional degree and credentials. ACP's mission is to cultivate a learning community committed to education, community outreach and the professional development of pharmacists. A majority of graduates are practicing pharmacy in the Appalachian Region - positively impacting health care in an underserved region.



History

The College was founded in August 2003 as the University of Appalachia by Frank Kilgore, assistant county attorney for Buchanan County, Virginia. The Buchanan County Board of Supervisors and Buchanan County Industrial Development Authority requested that Mr. Kilgore establish a higher education institution as an economic, educational, and healthcare development project. The College is strategically positioned in Buchanan County, Virginia, which shares borders with Kentucky and West Virginia in the center of the Appalachian coalfields. The Appalachian region faces significant economic and educational barriers, as well as healthcare challenges. A previous report to the Virginia Legislature documented that residents of Southwest Virginia have difficulty obtaining and paying for health care, including dental and pharmaceutical care. By bringing higher education and advances in healthcare to the region, the College is well-positioned to be a catalyst for positive changes in economic development, education, and healthcare.



Pharmacists in Community Service (PICS)

The PICS program is designed to actively engage students in service projects that support the College's mission to promote community service, lifelong learning and service to underserved and rural communities. The PICS program is a mandatory part of the PharmD program and requires that all students complete 150 hours of community service over their three year enrollment in the PharmD program. Students must complete a minimum of 100 hours of community service by the end of the first two years of the program prior to beginning their Advanced Pharmacy Practice Experience (APPE) rotations.



Some community service activities are required as part of the curriculum, exemplifying service to underserved and rural communities. The Remote Area Medical (RAM) events in Wise County and in Grundy and the Brown Bag Days at area senior centers are examples of curricular events. Even though these activities are required, students have the option of submitting the PICS form for approval of the time spent at these activities. All 150 hours of service and the aforementioned required activities must be accomplished in order for students to qualify for a degree and to graduate from the PharmD program.



Medication Therapy Management Call Center (MTMC)

Inappropriate medication use or lack of medication use by patients (due to poor adherence or compliance) costs the health care system \$100 BB annually and results in 1.5 million adverse events per year. It is also responsible for 1 in every 6 hospital admissions. ACP is establishing a Medication Therapy Management Call Center (MTMC) with a dual purpose—to serve as an Advanced Pharmacy Practice Experience (APPE) rotation site for Pharmacy students and as a resource center to patients and their providers on the proper use of medications.

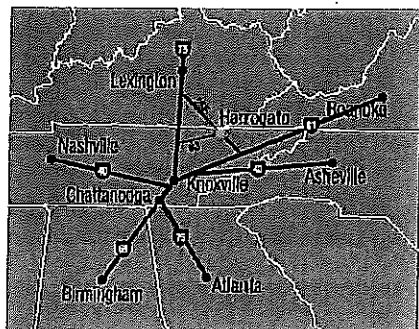
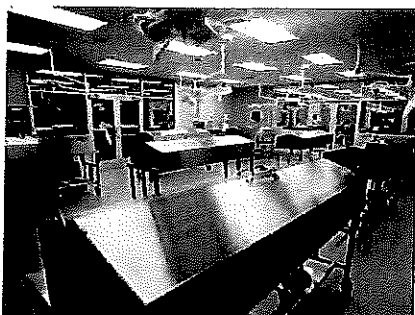


²³ <http://www.acp.edu/>



DEBUSK COLLEGE OF OSTEOPATHIC MEDICINE

LINCOLN MEMORIAL
UNIVERSITY



APPENDIX E.4—DEBUSK COLLEGE OF OSTEOPATHIC MEDICINE, LINCOLN MEMORIAL UNIVERSITY

Mission

To prepare outstanding osteopathic physicians who are committed to the premise that the cornerstone of meaningful existence is service to humanity. The mission of LMU-DCOM is achieved by:

- Graduating Doctors of Osteopathic Medicine
- Providing a values-based learning community as the context for teaching, research, service, including osteopathic clinical service and student achievement
- Serving the health and wellness needs of people within the Appalachian region and beyond
- Focusing on enhanced access to comprehensive health care for underserved communities
- Investing in quality academic programs supported by superior faculty and technology
- Embracing holistic care, diversity and public service as an enduring commitment to responsibility and high ethical standards.

“The DeBusk College of Osteopathic Medicine (DCOM) is a state of the art institution with experienced faculty preparing medical students to excel in the world of modern healthcare. It has been very fulfilling to be a part of establishing the DCOM in this region where access to healthcare is so limited. We welcome you to come join us and be a part of making a difference.”

Ray Stowers, DO, FACOFP, Vice President and Dean, LMU DeBusk College of Osteopathic Medicine

Faculty

The LMU-DCOM faculty is composed of highly qualified and experienced DOs, MDs and PhDs from across the nation who hold decades of experience both in medical practice and medical education. Many of LMU-DCOM’s faculty members have received numerous recognitions and awards nationally for their accomplishments.

DCOM Facilities

The LMU-DCOM building is a four-story, 105,000 SF facility. The Math and Science Building is a four-story, 140,000 sq. ft. facility. Both feature state-of-the-art technology. Facilities include:

- New four-pod anatomy lab with surgical lights, high-magnification camera and model room.
- Lecture Halls
- Telemedicine/Distance Learning Center
- Patient Encounter Rooms
- Small Group Study Rooms
- Osteopathic Manipulative Medicine Laboratory
- Computerized Simulation Laboratories

LMU-DCOM DO Class Size

Each class matriculates 225 students.

Residency Placements

LMU-DCOM’s graduated classes have consistently ranked within the top four nationally for osteopathic residency matches. The majority of graduates enter a primary care residency. Nineteen percent of graduates have a residency placement within the Appalachian region. Approximately 63 percent of graduates have a DO residency placement and 27 percent have an MD residency placement. Ten percent of graduates have a military residency placement.

Fellowship Opportunities

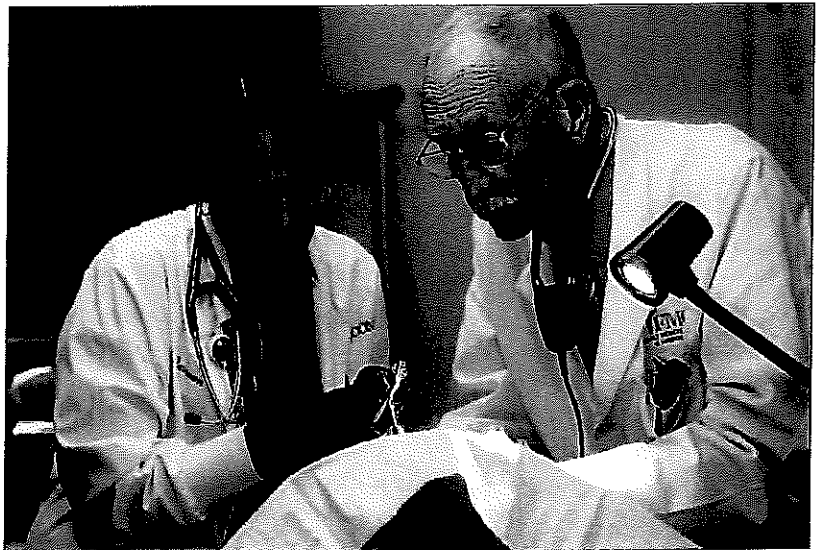
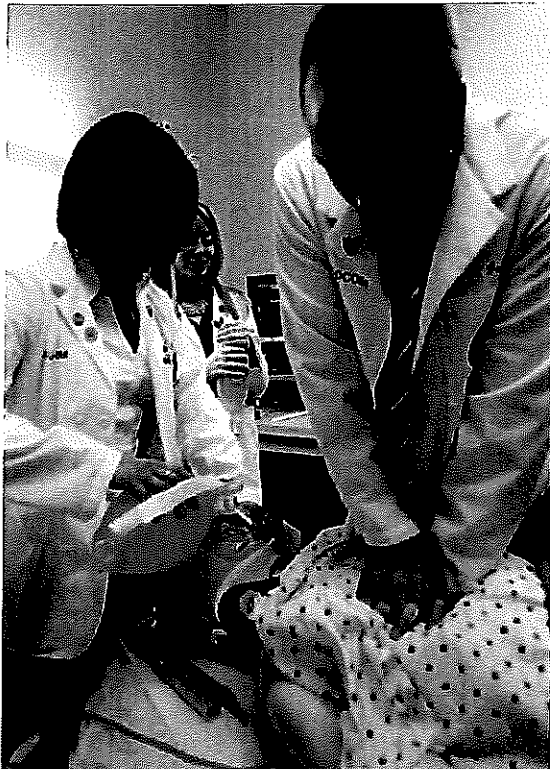
LMU-DCOM offers a fellowship opportunity in Anatomy / Osteopathic Manipulative Medicine for students interested in furthering their expertise in these fields.

International Opportunities

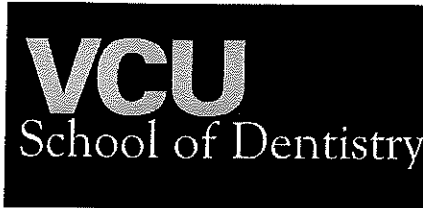
LMU-DCOM students have the opportunity to participate in several international mission trips and rotations to Haiti, the Dominican Republic and other locations around the world.

Dual DO/MBA Program

In addition to the DO program, LMU-DCOM also offers the opportunity for interested and qualified students to earn an MBA degree along with their DO degree. This dual degree will equip these future osteopathic physicians with a business knowledge which they will undoubtedly benefit from in their career.



APPENDIX E.5—SCHOOL OF DENTISTRY, VIRGINIA COMMONWEALTH UNIVERSITY²⁴



The School of Dentistry has a long history of educating practitioners capable of meeting the oral health care needs of the communities they serve. The school provides opportunities for selected, qualified individuals to study dentistry under the most favorable conditions and in accordance with the standards established by the Commission on Dental Accreditation of the American Dental Association.

For more than 110 years, VCU School of Dentistry has served as the Commonwealth of Virginia's only dental school, preparing men and women for successful careers in private practice, academia, hospitals, and public agencies. Our students graduate equipped to provide comprehensive oral health care services to patients with a wide array of needs.

The degree of Doctor of Dental Surgery is awarded to graduates of the school's professional program and the Bachelor of Science degree to graduates of the dental hygiene program. Students in the Advanced Education Program receive a specialty certificate and, in some cases, a Master of Science in Dentistry degree.

The facilities of the School of Dentistry are housed in the Wood Memorial, Lyons and Perkinson buildings at the VCU Medical Center.

Departments and Divisions of Instruction

- Department of Endodontics
- Department of General Practice
- Department of Oral and Maxillofacial Surgery
- Department of Oral Diagnostic Sciences
- Department of Oral Health Promotion and Community Outreach
- Department of Orthodontics
- Department of Pediatric Dentistry
- Department of Periodontics
- Department of Prosthodontics
- Philips Institute for Oral Health Research

Clinical Services

Through VCU Dental Care, the VCU School of Dentistry takes pride in the quality and affordability of care and service it provides to the general public. Our patients are cared for by a professional and friendly staff who help them achieve optimal oral health.

To meet specific needs both financially and medically, VCU Dental Care offers three levels of service in general dentistry:

- Student practices
- Faculty private practices
- Specialty practices.

Our specialty practices can help with a wide range of dental care, all at a fraction of the cost of private practice:

- Emergency care
- Oral and maxillofacial surgery
- Orthodontics
- Endodontics
- Periodontics
- Pediatric dentistry

Community Involvement

²⁴ <http://www.dentistry.vcu.edu/>

Missions of Mercy

Since July 2000, the school's students and faculty have participated in the Missions of Mercy project, providing dental care to underserved areas of the state. So far, the MOM project has provided more than \$5.7 million worth of free dental care for 13,000 patients.

Service-learning

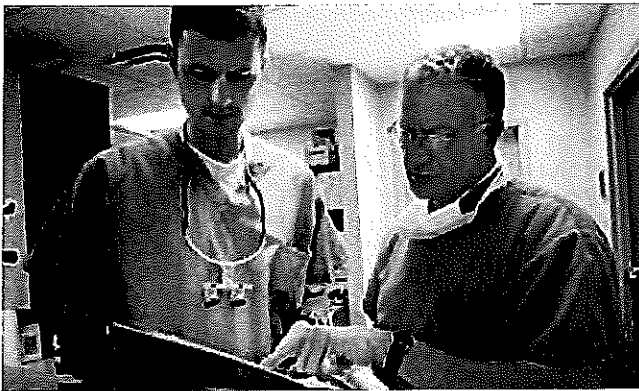
The school's clinical service-learning program sends senior dental and dental hygiene students to participate in community-based and private-practice clinics at collaborative service-learning sites.

Oral Health Zone

Through the VCU Dental Care Oral Health Zone, dental hygienists, dental students and residents provide free oral health education lectures and patient screenings to organizations, schools and community groups in the Greater Richmond area in an effort to increase oral health awareness.

Jamaica Project

The Jamaica Project represents the VCU School of Dentistry's annual international humanitarian mission and affords selected dental students, along with faculty, a remarkable global experience in humanitarian care.



Clinical Service-Learning Sites

One of VCU's Service Learning sites is the Dental Center in Saltville, VA. The complete list of these sites is as follows:

- Bradley Free Clinic (Roanoke)
- Charlottesville Free Clinic (Charlottesville)
- Chesapeake Care Free Clinic (Chesapeake)
- Community Dental Clinic (Martinsville)
- CrossOver Ministry Dental Clinic (Richmond)
- Federal Correctional Complex Petersburg (Petersburg)
- Free Clinic of Central Virginia (Lynchburg)
- Goochland Free Clinic and Family Services (Goochland)
- Hanover Interfaith Free Clinics at Mechanicsville Christian Center (Mechanicsville)
- Lucy Corr Village (Chesterfield)
- Northern Neck Free Health Clinic (Kilmarnock)
- Park Place Health and Dental Clinic (Norfolk)
- PATHS Community Dental Center (Danville)
- Piedmont Regional Dental Clinic (Orange)
- Southwest Virginia Regional Dental Center (Saltville)
- The Virginia Home (Richmond)

APPENDIX E.6—SOUTHWEST VIRGINIA COMMUNITY HEALTH SYSTEMS, INC.²⁵

Mission and Organizational Profile

SVCHS is a community health care partnership serving the people of this region with compassionate, affordable, patient-centered primary and comprehensive care.

SVCHS consists of a group of non-profit community healthcare centers, the Migrant Health Network, the Integrative Behavioral Healthcare Program and the Southwest Virginia Regional Dental Center. SVCHS was established to improve the health care services and provide comprehensive primary medical care to the communities we serve.

Sites

- Thomas K. McKee Hospital
Corporate Office/Central Billing Office
- Meadowview Health Clinic
- Saltville Medical Center
- Tazewell Community Health
- Twin City Medical Center

Services

Adolescent Care	Laboratory	Pharmacy
Adult & Geriatric Medicine	Medication Assistance	Slide Fee Scale for Qualified Patients
Behavioral Health	Minor Surgery	Telemedicine
Emergency Medicine	Mt. Rogers Medication Assistance Program (MAP)	Transportation
Hospitalization	Pediatric Care	X-Ray & Laboratory

Integrative Behavioral Health Care

The goal of the behavioral health component of integrative primary care is to detect and address the broad spectrum of behavioral health needs among primary care patients, which is consistent with the treatment service philosophy of primary care. Our integral approach provides early identification, quick resolution of identified problems, long term problem intervention and "wellness promoted intervention."

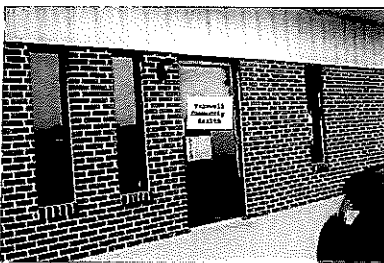
The Integrative Behavioral Healthcare Program is designed to provide a service philosophy of improving health and behavioral health outcomes for patients with acute and chronic/recurrent medical and psychological conditions. SVCHS, Inc. co-locates a Behavioral Health Consultant and/or Behavioral Health Provider within each clinic site as a member of the primary care team to address a "whole-being" treatment approach with each patient.

Southwest Virginia Regional Dental Center

The mission of the Dental Center is to make a positive difference in the lives of children, youth and adults by offering the highest quality, friendly, convenient and affordable dental care. The Center accepts nearly all insurance plans, Medicaid, FAMIS and available financing programs.

Southwest Virginia Regional Dental Center is a teaching facility. Services include:

Dental exams	Prophylaxis	Sealants	Dentures
Fillings	Crowns	Extractions	Root canals
X-rays	Fluoride Treatment	Bridges	Scaling
Planning			



²⁵ <http://www.svchs.com/index.html>

Migrant Health Network

Migrant and Seasonal farmworkers are at risk for health problems due to many factors including: lack of transportation, lack of knowledge of resources, lack of resources to pay for care, language barriers, and their mobile lifestyle.

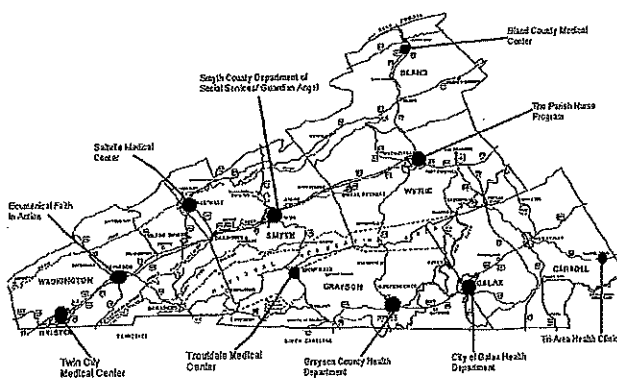
Migrant farmworkers have different and more complex problems than those of the general population. Migrant farmworkers suffer frequently from untreated diabetes, high blood pressure, respiratory diseases, contact dermatitis, dental problems, urinary tract infections, and musculoskeletal problems.

The Migrant Health Network (MHN) provides basic health services for migrant and seasonal farmworkers and their families in Southwest Virginia. A program of Southwest Virginia Community Health Systems, Inc. the MHN is funded by the Bureau of Primary Care, Migrant Health Division. The counties served are: Lee, Scott, Russell, Smyth, Washington, Scott, Grayson, Carroll, and Patrick. MHN activities are overseen by an Advisory Board that includes farmworkers, growers, health care providers, and community leaders.

The MHN provides many services on a sliding scale to migrant and seasonal farmworkers. Services include, but are not limited to, the following: primary care medical services, health education, Outreach, health assessments, referrals, and case management. Our clinical partners include: Southwest Virginia Community Health Systems, Inc., Tri-Area Health Center, Clinch River Health Center, and Stone Mountain Health Services. The MHN outreach workers identify health problems and assist farmworkers to obtain health care at one of our clinical partners' centers.

In addition to the MHN staff, many volunteers assist with the program including doctors, nurses, dentists, college students, nurse practitioners and other community members.

Mt. Rogers Medication Assistance Program (MAP)



Telemedicine

This program is provided with/by specialists of the University of Virginia Health System. Telemedicine is offered in all the clinics. Specialties available through the telemedicine program are:

Cardiology	Hematology	Pain Management	Psychiatry
Dermatology	Hepatology	Pediatrics	Pulmonology
Endocrinology	Infectious Disease	Pediatric Surgery	Rheumatology
Gastroenterology	Nephrology	Pediatric Cardiology	Surgery
Gerontology	Neurology	Plastic Surgery	Urology
Gynecology	Orthopedics		

Appendix F—Funding Partners

Appendix F.1—The Town of Abingdon

Appendix F.2—The Town of Marion

Appendix F.3—Smyth County

Appendix F.4—Smyth County Community Hospital Foundation

Appendix F.5—Buchanan County

APPENDIX F.1—THE TOWN OF ABINGDON²⁶

Abingdon is a town in, and county seat of, Washington County, Virginia. Abingdon is part of the Kingsport–Bristol (TN)–Bristol (VA) MSA, which is a component of the Johnson City–Kingsport–Bristol, TN-VA CSA—commonly known as the "Tri-Cities" region.

Demographics

Abingdon has grown in population during the 20th century, with significant growth occurring between the 1980 and 1990 censuses. The population was 8,191 at the 2010 census. The median income for a household in the town was \$30,976, and the median income for a family was \$46,106. The per capita income for the town was \$22,486. About 7.3 percent of families and 10.1 percent of the population were below the poverty line.

Historical population		
Census	Pop.	%±
1920	2,532	—
1930	2,877	13.6%
1940	3,158	9.8%
1950	4,709	49.1%
1960	4,758	1.0%
1970	4,376	-8.0%
1980	4,318	-1.3%
1990	7,003	62.2%
2000	7,780	11.1%
2010	8,191	5.3%

Features / Highlights

The Town of Abingdon has been welcoming visitors for 200+ years. Chartered in 1778, Historic Abingdon, Virginia is the oldest town west of the Blue Ridge Mountains. Early settlers included Native Americans who regarded the area as sacred ground, so rich in natural beauty that they neither settled nor hunted in the area. Daniel Boone was a frequent visitor to the area during the early days of the Wilderness Trail. Over the next 200 years, Abingdon grew to be the cultural and governmental center of Southwest Virginia.

As a Virginia Main Street community, the 20 block historic downtown district, a Virginia Historic Landmark, is a focal point for both locals and tourists. The main street is lined with outstanding Federal and Victorian architecture, an assortment of restaurants, shops and attractions including the Barter Theatre (the State Theatre of Virginia) and the historic Martha Washington Hotel and Spa.

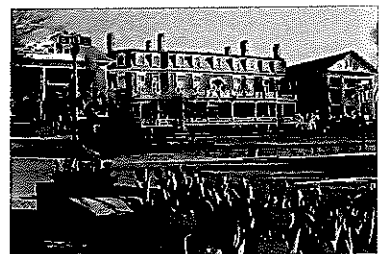
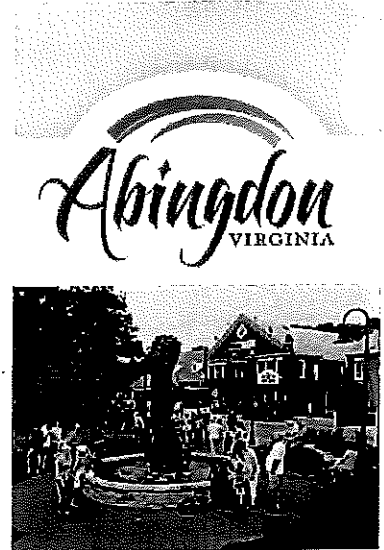
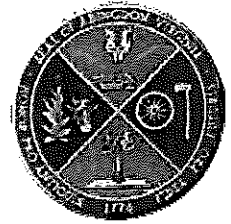
Arts and culture play such an important role in Abingdon and venues like the Arts Depot, Barter Theatre, Holston Mountain Artisans and William King Museum draw visitors from all over the country to town. The recent opening of Heartwood, Southwest Virginia's Artisan Center and the synergy created by the art and cultural scene in Abingdon have made this town a destination for visitors coming to the Southwest Virginia region.

Barter Theatre has been the driving force behind the performing arts in Abingdon. The Barter Theatre was founded during the Depression and gets its name from the custom of bartering produce from the farms and gardens of the area to gain admission to see a show. Today, Barter Theatre has a reputation as a theatre where many actors performed before going on to achieve fame and fortune. The most recognized of these alumni include Gregory Peck, Patricia Neal, Ernest Borgnine, Ned Beatty, and Kevin Spacey.

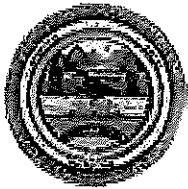
Abingdon is quickly becoming the regions focal point for the culinary arts as well. The Abingdon Farmers Market has taken the lead in bringing farm products to local restaurants. The locally grown food is a perfectly paired with a glass of wine from Abingdon Vineyard and Winery or a pint of craft beer from Abingdon's Wolf Hills Brewery.

Abingdon is home to the Virginia Creeper Trail a 34.3-mile rail-to- trail starting in town, traveling through Damascus, and ending just past Whitetop Station at the Virginia-North Carolina border. This multi-use trail, recently inducted into the Rails-to-Trails Conservancy's Hall of Fame, provides hikers, bikers, horseback riders, and lovers of the outdoors a spectacular setting to enjoy nature.

Abingdon has long been regarded as the hub of culture and commerce for Southwest Virginia and respected as a progressive community. A commitment to this is exemplified in the Latin phrase, "Honor Pro Antiquis, Fides Pro Futuris" which means "Respect the Past and Faith for Our Future."



²⁶ en.wikipedia.org/wiki/Abingdon_Virginia and <http://www.abingdon-va.gov/>



APPENDIX F.2—THE TOWN OF MARION²⁷

Named for American Revolutionary War officer Francis Marion, Marion is located in, and the county seat of, Smyth County, Virginia.

Demographics

Like other towns in rural regions, Marion has lost some population since the 1990s. The population was approximately 6,000 at the 2010 census. In 2010 the median income for a household in the town was \$25,609, and the median income for a family was \$34,257. The per capita income for the town was \$16,372. About 13.2% of families and 18.6% of the population were below the poverty line.

Town of Marion: Historical population

Census	Pop.	%±
1990	6,858	—
2000	6,339	-7.6%
2010	5,968	-5.9%

Features / Highlights

The town is near Hungry Mother State Park and is one of only a few towns to receive designation as an official *Virginia Main Street Community* and *National Main Street Community*.

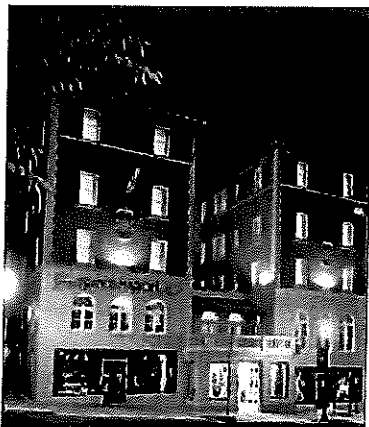
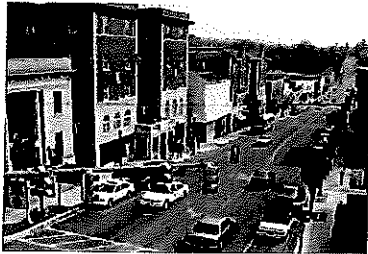
The Lincoln Theatre, a meticulously renovated Art-Deco Mayan Revival style performing arts center in Marion, is the home of the nationally syndicated bluegrass music program "Song of the Mountains". The General Francis Marion Hotel has also been completely restored and serves the town as a AAA Three-Diamond boutique hotel. The town also hosts ArtWalk with local artists and musicians, held on the second Friday of each month May through December.

Marion was home to Marion College, a two-year Lutheran women's college, which operated from 1873 to 1967. The original 1908 School House which is now named the Wayne C. Henderson School of Appalachian Arts is currently under construction. All construction is planned to be completed by December 2014. Classes will start in the Spring of 2015.

Now, E&H College will develop a Marion Campus in the facility/site of the former Smyth County Community Hospital.

Marion is known for being the birthplace of the soft drink Mountain Dew.

R. T. Greer and Company, Henderson Building, Hotel Lincoln, Hungry Mother State Park Historic District, Lincoln Theatre, Marion Historic District, Marion Male Academy, Norfolk & Western Railway Depot, Preston House, and the Abijah Thomas House are listed on the National Register of Historic Places.



²⁷ http://en.wikipedia.org/wiki/Marion,_Virginia and www.marionva.org/

APPENDIX F.3—SMYTH COUNTY²⁸

Smyth County is a county in Virginia, with a total area of 452 square miles, and with the Town of Marion as its county seat. Two other main towns are Chilhowie and Saltville. Smyth County was formed in 1832, from Washington and Wythe counties. It is named after Alexander Smyth, a general during the War of 1812 who was elected to the state Senate, House of Delegates, and as a Representative to the United States Congress.

Demographics

Population has declined very slightly in recent censuses. As of the 2010 census, the population was 32,208. The median income for a household in the county was \$30,083, and the median income for a family was \$36,392. The per capita income for the county was \$16,105. About 9.90% of families and 13.30% of the population were below the poverty line.

Industry History / Base

Smyth County has gained a reputation through the decades for supporting industry and business, both existing and new. From the early days of the extract plant at Teas, the brick plant at Chilhowie, the Look & Lincoln wagon making company in Marion and the salt works and Mathieson Alkali (Olin Corp.) in Saltville, the County has been a home to many growing and successful manufacturing operations.

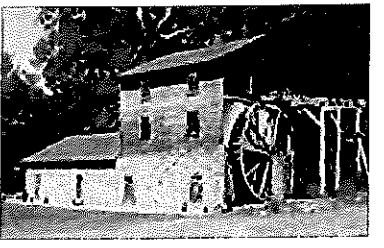
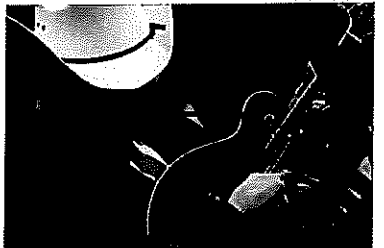
Today, we have a strong employment base including such well-known companies as General Dynamics, Utility Trailer, Royal Mouldings, TRW, Scholle, Kennametal and United Salt; and many home-grown successful businesses including Smyth County Machine and Welding, Marion Mold and Tool, and C & A Fabricating.

Historical Population		
Census	Pop.	%±
1840	6,522	—
1850	8,162	25.1%
1860	8,952	9.7%
1870	8,898	-0.6%
1880	12,160	36.7%
1890	13,360	9.9%
1900	17,121	28.2%
1910	20,326	18.7%
1920	22,125	8.9%
1930	25,125	13.6%
1940	28,861	14.9%
1950	30,187	4.6%
1960	31,066	2.9%
1970	31,349	0.9%
1980	33,366	6.4%
1990	32,370	-3.0%
2000	33,081	2.2%
2010	32,208	-2.6%
Est. 2012	31,718	-1.5%

Unemployment Trends: Smyth County, Virginia, and US			
Year	Smyth County	Virginia	United States
2001	6.3%	3.2%	4.7%
2002	8.0%	4.2%	5.8%
2003	7.5%	4.1%	6.0%
2004	5.1%	3.7%	5.5%
2005	4.6%	3.5%	5.1%
2006	4.6%	3.0%	4.6%
2007	5.4%	3.1%	4.6%
2008	6.1%	4.0%	5.8%
2009	11.3%	6.9%	9.3%
2010	10.9%	6.9%	9.6%
2011	9.7%	6.2%	8.9%

Source: Virginia Employment Commission, Local Area Unemployment Statistics

Despite this focus, Smyth County's unemployment rate has exceeded that of Virginia and the US, for several years.



²⁸ en.wikipedia.org/wiki/Smyth_County_Virginia and <http://www.smythcounty.org>



APPENDIX F.4—SMYTH COUNTY COMMUNITY HOSPITAL FOUNDATION

The Smyth County Community Foundation (SCCF) is a non-profit corporation located in Marion, Virginia. Founded in 1997, the SCCF supports the mission of the Smyth County Community Hospital by identifying and supporting programs and projects that contribute to the improved physical, mental and emotional health and wellness of the citizens of Smyth County and the service area of the hospital.

The Foundation Board is made up of community leaders that also serve on the Smyth County Hospital and the Lifetime Wellness Boards. With its ownership of the Lifetimes Wellness Center, the Foundation employs over 40 full- and part-time employees.

The Foundation also is a strong supporter of the Emory & Henry College School of Health Sciences, which is located on the campus of the former county community hospital.

The Foundation gave a lot of thought to its decision to grant more than \$5,500,000 to the School of Health Science, based on both the health of the communities we serve and economic development possibilities.

APPENDIX F.5—BUCHANAN COUNTY

Buchanan County is a county located in the U.S. state of Virginia. As of the 2010 census, the population was 24,098. Its county seat is Grundy. As of 2009, it was the poorest county in the state of Virginia and one of the 100 poorest counties in the United States, when ranked by median household income.

The main industry has been coal mining.

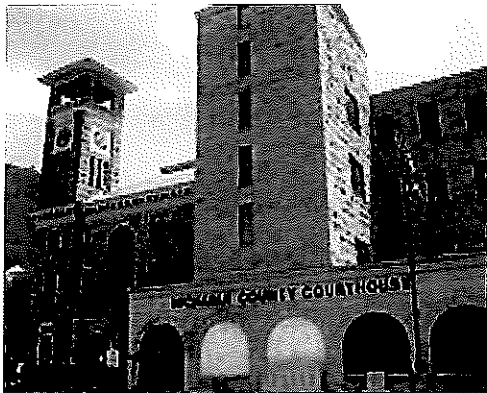
Demographics

As of the census of 2000, there were 26,978 people, 10,464 households, and 7,900 families residing in the county. The median income for a household in the county was \$22,213, and the median income for a family was \$27,328. Males had a median income of \$29,540 versus \$17,766 for females. The per capita income for the county was \$12,788. About 19.80% of families and 23.20% of the population were below the poverty line, including 30.20% of those under age 18 and 16.90% of those age 65 or over.

Features / Highlights

Buchanan County Courthouse

The Buchanan County Courthouse is a historic courthouse buildings located at Grundy, Buchanan County, Virginia. It was built in 1905-06. The Renaissance Revival style building is the only building in the downtown with pretensions to architectural sophistication. Designed by architect Frank Pierce Milburn, the design employs local stone, emphasized with a corner clock tower topped with a belvedere. A 1915 fire gutted most of the downtown, including the courthouse, which was rebuilt and expanded by 1917. It was listed on the National Register of Historic Places in 1982.



Professional Higher Education

The County is home to two professional schools:

- Appalachian School of Law, Grundy
- Appalachian College of Pharmacy, Oakwood

Recreation

The County also is home to Poplar Gap Park.



Census	Historical population	
	Pop.	%±
1860	2,793	—
1870	3,777	35.2%
1880	5,694	50.8%
1890	5,867	3.0%
1900	9,692	65.2%
1910	12,334	27.3%
1920	15,441	25.2%
1930	16,740	8.4%
1940	31,477	88.0%
1950	35,748	13.6%
1960	36,724	2.7%
1970	32,071	-12.7%
1980	37,989	18.5%
1990	31,333	-17.5%
2000	26,978	-13.9%
2010	24,098	-10.7%
Est. 2012	23,859	-1.0%
U.S. Decennial Census ⁽⁶⁾		
1790-1960 ⁽⁷⁾ 1900-1990 ⁽⁸⁾		
1990-2000 ⁽⁹⁾ 2010-2012 ⁽¹⁾		

Appendix G—Planning, Policy, Engagement, and Civic Leadership Partners

Appendix G.1—Southwest Virginia Health Authority

Appendix G.2—Virginia Health Workforce Development Authority

Appendix G.3—Southwest Area Health Education Center (AHEC)

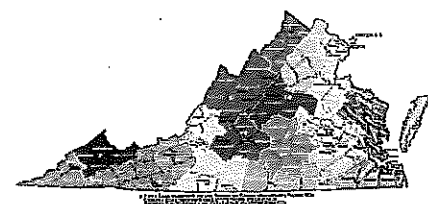
Appendix G.4—Healthy Appalachia Institute

APPENDIX G.1—SOUTHWEST VIRGINIA HEALTH AUTHORITY²⁹



Blueprint for Health Improvement and Health-Enabled Prosperity

The Southwest Virginia Health Authority (SVHA) has a mission given by the Virginia General Assembly “to improve quality of life in the region by enhancing, fostering and creating opportunities that advance health status and provide health-related economic benefits for people of all ages.” Its stated vision is “to achieve continuous improvement in the health and prosperity of the region.” The *Blueprint for Health Improvement and Health-Enabled Prosperity (Blueprint)* is a strategic plan for improving health, healthcare and prosperity in Central Appalachia (Lenowisco and Cumberland Plateau Planning Districts—PDI and II).



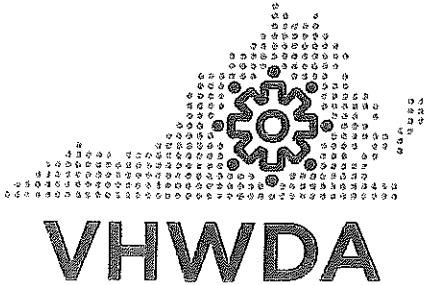
The *Blueprint* is grounded and fueled by the heart and spirit of the people of the region. With heart and spirit as its center, a business plan structure and intent fleshed it out so the plan serves as a foundation for further strategic planning.

Many thoughtful, caring people worked together to create the *Blueprint*, which was adopted by SVHA in May 2009 followed with the first Progress Report in 2011. Input came from key leaders and citizens throughout Southwest Virginia and the broader region. Sectors represented include health care, business, education, government, and the public community input meetings. SVHA key working partners include the regional public health institute, the Healthy Appalachia Institute at University of Virginia – Wise, and Lenowisco and Cumberland Plateau Health Districts of the Virginia Department of Health.

Authority Members

Jonathan S. Belcher-Coalfield Economic Development Authority	Donna Henry, Ph.D.-University of Virginia’s College at Wise	David Sarrett, D.M.D., M.S.-Virginia Commonwealth University Dental School
Danny Brown-Russell County	Eli Jones, Jr.-Tazewell County	Dixie Tooke-Rawlins, D.O.-Edward Via College of Osteopathic Medicine
Edward A. Carlton, Pharm.D.-Lee County	Terry Kilgore, Delegate-Virginia General Assembly	Mark Vanover-Dickenson County
Sue Cantrell, B.Pharm., M.D.-Lenowisco Health District	Susan Mayhew, Pharm.D.-Appalachian College of Pharmacy	J. Michael Wisting, D.O.-LMU DeBusk College of Osteopathic Medicine
Charles W. Carrico, Sr., Senator-Virginia General Assembly	Will Morefield, Delegate-Virginia General Assembly	Melody Counts, M.D.-Cumberland Plateau Health District
Howard Chapman-Southwest Virginia AHEC & GMEC	Steve O’Quinn-Buchanan County	Ron Prewitt-Wise County
Mark Leonard, CEO-Norton Community Hospital, Mountain States Health Alliance	Malcolm Perdue-Virginia Community Healthcare Association	Fred Pelle, CEO-Lonesome Pine Hospital, Wellmont Health System
Stephen K. Givens, CEO-Russell County Medical Center, Mountain States Health Alliance	Karen Rheuban, M.D.-The University of Virginia School of Medicine	Robert T. Means, Jr., M.D., FACP-ETSU, Quillen College of Medicine*
Charles Good, Pres. and CEO-Frontier Health	Debbie Ward-City of Norton	

²⁹ <http://swvahealthauthority.net/>



APPENDIX G.2—VIRGINIA HEALTH WORKFORCE DEVELOPMENT AUTHORITY³⁰

In recent years, the Governor of Virginia, as well as legislators, health care organizations and other stakeholders, have made health workforce development a priority by creating the Virginia Health Workforce Development Authority (VHWDA). Designed to marry health workforce efforts and initiatives in Virginia, the VHWDA is instrumental in facilitating pipeline development across the full spectrum of health professions. As part of this vision, the VHWDA gathers information on supply and demand beginning with primary and secondary education through recruitment and retention in underserved areas throughout the Commonwealth.

The purpose of the VHWDA is to facilitate the development of a statewide health professions pipeline that identifies, educates, recruits and retains a diverse, geographically distributed and culturally competent quality workforce for all Virginians.

To support regional and state-wide efforts, the web-based "Health Chart Book" helps identify health care, economic and social conditions important for local and regional development. Users can identify areas throughout the state that may have similar needs, identify health care shortages or track population growth and trends for future workforce development. Additional data and statistics resources are available below:

Workforce Resources

GeoHealth Innovations

Department of Health Professions, Healthcare Workforce Data Center

- Behavioral Science Workforce Survey 2012 Results
- Dentist and Dental Hygienist Workforce Survey 2011 Results
- Virginia's Licensed Nursing Workforce: 2010-2012
- Series 1, Issue 13: State & National Employment
- Series 2, Issue 13: Virginia Regional Employment
- Series 3, Issue 5: Income & Compensation

Health Resources and Services Administration (HRSA)

- Affordable Care Act
- Health Professional Shortage Areas & Medically Underserved Areas

U.S. Department of Commerce, Census Bureau

- Virginia State & County QuickFacts

Virginia Department of Health

- Office of Family Health Services

Behavioral Risk Factor Surveillance System

Virginia Health Information

Weldon Cooper Center for Public Service

Healthcare Workforce in the Southwest Region

The Southwest region, including the counties of Alleghany, Bland, Botetourt, Buchanan, Carroll, Craig, Dickenson, Floyd, Giles, Grayson, Lee, Montgomery, Pulaski, Roanoke, Russell, Scott, Smyth, Tazewell, Washington, Wise, and Wythe, and the cities of Bristol, Covington, Galax, Norton, Radford, Roanoke, and Salem, is home to hospitals, health systems, Community Health Centers (CHC), community colleges and universities that offer health professions career studies, internships, training and job opportunities.

³⁰ <http://www.vhwda.org/> and <http://www.vhwda.org/workforce-development/regions/southwest-va>

APPENDIX G.3—SOUTHWEST AREA HEALTH EDUCATION CENTER (AHEC)

The mission of the Southwest Virginia Area Health Education Center (SWAHEC) is to provide education, information, training, and services to improve health outcomes in Southwest Virginia. SWAHEC primarily focuses on rural health care workforce development to meet the needs of communities and health care professionals.

Located in Tazewell, Virginia, SWAHEC reaches some of the most needy areas in the Appalachians. Established in 1993, SWAHEC is an independent, not-for-profit corporation led by a volunteer Board of Directors. The Board is primarily made up of community members from health care and education organizations.

Southwest Virginia AHEC's major programs include:

- Health Professions Students' Clinical Training Opportunities
- Exposing Youth to Health Careers
- Support for Practicing Health Professionals
- Community Health Initiatives

Southwest AHEC

The University of Virginia's College at Wise

Room 151 Smiddy Hall

1 College Avenue

Wise, VA 24293

Phone: (276) 988-7296

Website: www.qmcc.uvawise.edu



Healthy Appalachia Institute Partners

STRATEGIC

Southwest Virginia Health Authority

PROGRAM AND RESOURCE SUPPORT

Appalachian Regional Commission

Cumberland Plateau Health District

Graduate Medical Education Consortium

LENOWISCO Health District

National Network of Public Health Institutes

University of Virginia

Office of Economic Development

School of Medicine

Emly Couric Cancer Center

School of Nursing

Weldon Cooper Center

The Center for Global Health

School of Architecture

University of Virginia's College at Wise

Verizon Foundation

Virginia Tobacco Indemnification and Community

Revitalization Commission

Wells Fargo Foundation

PROGRAM AND PLANNING

Virginia Department of Health

Office of Vital Records

Office of Minority Health and Public Health Policy

Office of Rural Programs

The Health Wagon, Inc.

Virginia Rural Health Association

Virginia's Recruitment and Retention Collaborative

Team

Southwest Area Health Education Center

Virginia Community Healthcare Association

Southwest Virginia Community Healthcare System

Stone Mountain Health Services

Wellmont Health System

Southwest Virginia Cancer Center

Dickenson County Medical Center

Mountain States Health Alliance

Johnston Memorial Hospital Cancer Center

Norton Community Hospital

Holston Medical Group

Mountain Empire Older Citizens

Mountain Laurel Cancer Resource Center

Mountain Empire PACE

CareSpark, Regional Health Information

Organization

Virginia Commonwealth University

College of Dentistry

East Tennessee State University

ETSU Quillen Medical School

ETSU College of Public Health

Tennessee Public Health Institute

Appalachia College of Pharmacy

Southwest Virginia Higher Education Center

Southwest Virginia Community College

Mountain Empire Community College

Lincoln Memorial University Debusk College of

Osteopathic Medicine

Pikeville College School of Osteopathic Medicine

Edward Via College of Osteopathic Medicine

Coalfield Economic Development Authority

Regional State and Local Government

People Incorporated of Southwest Virginia

Appalachian Community Action and Development

Agency

Smart Beginnings Appalachia

Virginia Cooperative Extension Service

APPENDIX G.4—HEALTHY APPALACHIA INSTITUTE

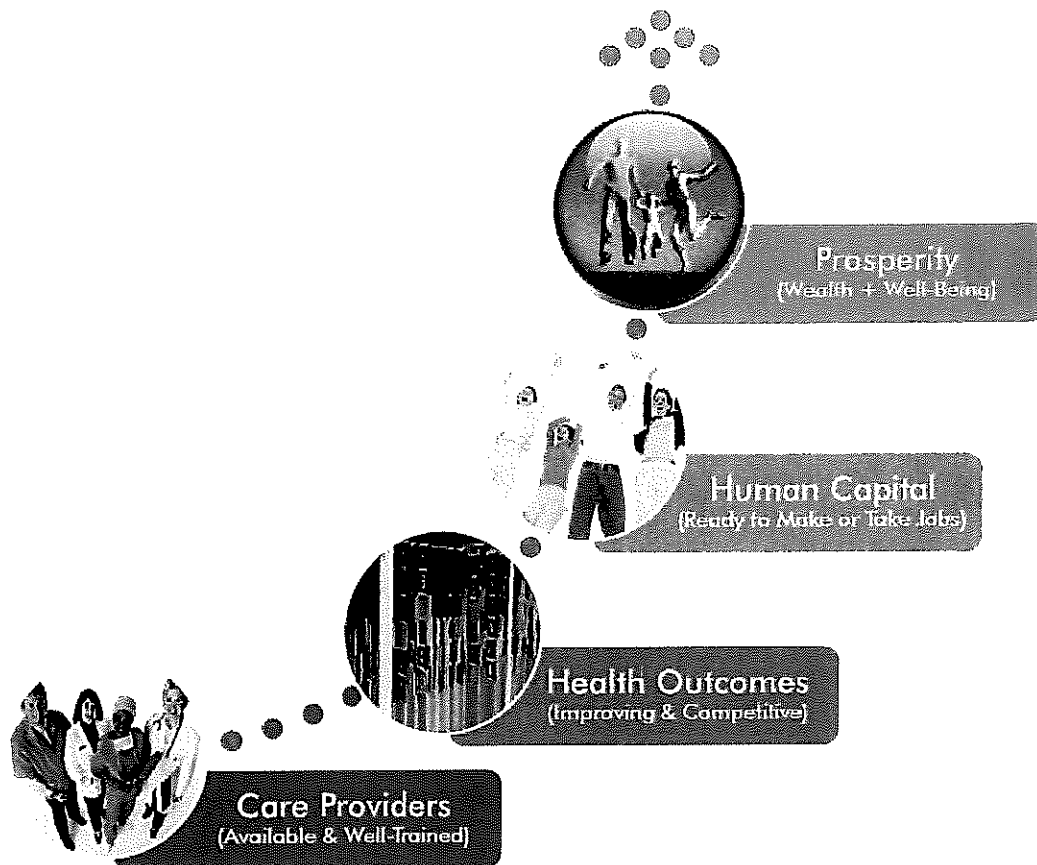
The Healthy Appalachia Institute (HAI) works to address the many health challenges facing the citizens of the region. Housed at UVA-Wise, HAI is a collaboration between critical thinkers, scholars, system planners and leaders at UVA-Wise, the University of Virginia, the Southwest Virginia Health Authority, the Virginia Department of Health and key partners in government, education, business and healthcare. Principal supporters include the Appalachian Regional Commission and the Virginia Tobacco Commission.

Services³¹

- **Strategic Planning.** HAI was initially formed to help establish a single, integrated strategic health plan for the region. The Southwest Virginia Health Authority and HAI participated in the development of *The Blueprint for Health Improvement and Health-Enabled Prosperity*, adopted by the Authority on May 13, 2009. HAI has also assisted other organizations, such as CareSpark and OneCare of Southwest Virginia, in strategic planning.
- **Resource Development.** Essential to the vitality of HAI, to community partner programs and to overall program sustainability, is our work to develop resources including funding for improving health within the region. This effort includes the review, development and submission of appropriate grants and requests to foundations and other sources for private gifts. These efforts are made on behalf of HAI and also partner organizations, such as a successful HRSA grant to the Health Wagon. To move towards sustainability, a fund has been established within the UVA-Wise Foundation, Inc. to accept private gifts on behalf of HAI.
- **Data Collection and Analysis.** A central function of HAI is the continuous development and management of data and information that can be used by the Institute, the SWVHA, and organizations and communities across the region as they seek to develop programs, and improve health outcomes. HAI works with partners such as the University of Virginia's Division of Public Health Sciences and Weldon-Cooper Center.
- **Outreach Programs.** An analysis of the region's health reveals the need for the continued development of screening and prevention programs, health outreach and education events, health workforce development as well as efforts to extend specialty care in many underserved regions. To that end, HAI has been a part of efforts designed to increase cancer screening and prevention efforts, physician, nursing and pharmacist professional development, the expansion of telemedicine capabilities and regional efforts to increase specialty clinics in remote locations.
- **Community-based Participatory Research Standards.** Improving health outcomes within Central Appalachia requires advancing opportunities for applied research based within Appalachian communities. Too often in the past, research was extractive with data, credit and resources leaving the area. To ensure new standards of applied research within Appalachia, HAI is exploring models for participatory research that include: listening to communities, the joint formation of research questions, a strength-based approach, clear partnerships within the region, equitable grant allocations and a defined process to share outcomes and credit among partners. The challenge for HAI is to work with national models and engage researchers in new ways to advance scientific inquiry within the region.
- **Communication.** As a think tank, sharing ideas is a value of the highest priority to the HAI. In order to stimulate dialogue, build collaboration and promote innovative thinking, HAI sponsors a number of communication vehicles, including an annual hospice roundtable and spring research symposium.



³¹ <http://www.healthyaappalachia.org/services>



Plan/Report submitted by:



The Alliance For Rural Health

The Alliance for Rural Health
Academic Health Center of Southwest Virginia
 851 French Moore, Jr. Boulevard, Suite 173
 Abingdon, Virginia 24210
 276.821.8182

Plan/Report facilitated by:



Eva Klein & Associates, Ltd.
Strategies for the Global Knowledge Economy
 503 Seneca Road
 Great Falls, Virginia 22066
 703.406.6100
www.evakleinassociates.com

FORBEARANCE AGREEMENT

This **FORBEARANCE AGREEMENT** (this "Forbearance Agreement"), dated as of November 20, 2014, between the Industrial Development Authority of Lee County, Virginia, a political subdivision of the Commonwealth of Virginia ("The IDA") and the Tobacco Indemnification and Community Revitalization Commission, a political subdivision of the Commonwealth of Virginia (the "Commission") recites and provides as follows:

RECITALS

- A. The Parties entered into a certain Performance Agreement, dated January 25th, 2011 (the "Performance Agreement"), by and among the IDA, the Commission, and Elite Apparel, LLC (the "Company").
- B. Pursuant to the Performance Agreement, (i) the Commission made a cash grant in the amount of \$476,000 ("the Grant") to the IDA for the benefit of the Company in exchange for the Company's promise to make certain capital investments and employ a specific number of persons in Lee County, (ii) the Company promised to refund to the IDA the "unearned portion" of the Grant (determined as specified in the Performance Agreement) if it did not meet its obligations under the Performance Agreement, (iii) any refund amount owed to the IDA also constitutes an obligation of the IDA to pay such amount to the Commission, and (iv) the IDA's payment obligation is not contingent upon collection of any amount from the Company. The Company failed to meet its obligations under the Performance Agreement and the IDA is obligated to pay the unearned portion of the Grant to the Commission. The unearned portion of the Grant is \$476,000.
- C. The IDA repaid to the Commission Eighty-Four Thousand, Three Hundred Seventy Five dollars (\$84,375) and defaulted on its obligation to repay the balance of Three Hundred Ninety One Thousand, Six Hundred and Twenty Five dollars (\$391,625) to the Commission.
- D. Subject to the terms herein, the IDA has requested that the Commission forbear from exercising any and all rights and remedies under the Performance Agreement for a period of one (1) year.

AGREEMENT

NOW, THEREFORE, for and in consideration of the promises, mutual covenants, releases, and agreements herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Terms.** Capitalized terms used herein but not defined herein shall have the meanings ascribed to them in the Performance Agreement.
2. **Acknowledgement and Waiver.** The IDA hereby acknowledges its default under the Performance Agreement and hereby waives any right to dispute its default or the amount thereof.
3. **Forbearance.** From and after the execution of this Forbearance Agreement through 5:00 p.m. Eastern Standard Time on December 31, 2015, (the "Forbearance Period"), the Commission will

forbear from exercising any and all rights and remedies under the Performance Agreement; however the Forbearance Period shall automatically terminate in the event that the Commission fails to ratify this Forbearance Agreement at its next regular meeting, currently scheduled for January 13, 2015. During the Forbearance Period, the Commission shall not request, demand, or provide notice of additional payment requirements, nor shall it withhold from the IDA any benefit or consideration otherwise due to the IDA arising from other transactions made in the normal course of Commission business.

4. **No Waiver of Rights or Remedies.** Each of the Parties agree that other than as expressly set forth herein, nothing in this Forbearance Agreement or the performance by the Parties of their respective obligations hereunder constitutes or shall be deemed to constitute a waiver of any of the parties' rights or remedies under the terms of the Performance Agreement or applicable law, all of which are hereby reserved.
5. **Representations and Warranties by Both Parties.** Each of the Parties hereby represents and warrants that each of the following statements is true, accurate, and complete as to such party as of the date hereof:
 - a. Such party has carefully read and fully understood all of the terms and conditions of this Forbearance Agreement;
 - b. Such party has consulted with, or had a full and fair opportunity to consult with, an attorney regarding the terms and conditions of this Forbearance Agreement;
 - c. Such party is freely, voluntarily, knowingly and intelligently entering into this Forbearance Agreement;
 - d. In entering into this Forbearance Agreement, such party has not relied upon any representation, warranty, covenant or agreement not expressly set forth herein;
 - e. This Forbearance Agreement has been duly authorized and validly executed and delivered by such party and constitutes each such party's legal, valid and binding obligation, enforceable in accordance with its terms; and
 - f. Such party has the full power and legal authority to execute this Forbearance Agreement; consummate the transactions contemplated hereby, and perform its obligations hereunder.
6. **Governing Law.** This Forbearance Agreement shall be governed by and construed and interpreted in accordance with the laws of the Commonwealth of Virginia, notwithstanding its conflict of laws principles or any other rule, regulation or principle that would result in the application of any other state's law.
7. **Entire Agreement.** This Forbearance Agreement constitutes the entire agreement of the parties hereto with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements.
8. **Modifications.** No part or provision of this Forbearance Agreement may be changed, modified, waived, discharged, or terminated except by an instrument executed under oath, sealed and

delivered by the party hereto against whom enforcement of such change, modification, waiver, discharge, or termination is sought.

9. **Successors and/or Assigns.** This Forbearance Agreement shall inure to the benefit of and bind each of the parties and their respective successors and/or assigns.
10. **Counterparts.** This Forbearance Agreement may be executed in counterparts, each of which shall constitute an original and all of which when taken together shall constitute one and the same instrument.

TOBACCO INDEMNIFICATION AND
COMMUNITY REVITALIZATION COMMISSION

By: _____

Title: _____

Date: _____

12-22-14



Commonwealth of Virginia
City/County of RICHMOND:

The foregoing Repayment Agreement was acknowledged before me this 22 day of Dec, 2014 by Thomas Stephenson, the Executive Director of the Tobacco Indemnification and Community Revitalization Commission.

My notary expires: 5/31/2018

Notary Registration No. 7594695

Lori S. Coats
Notary Public

LEE COUNTY INDUSTRIAL
DEVELOPMENT AUTHORITY

By: Charles R. Wynn

Title: CHAIRMAN

Date: 11/20/2014

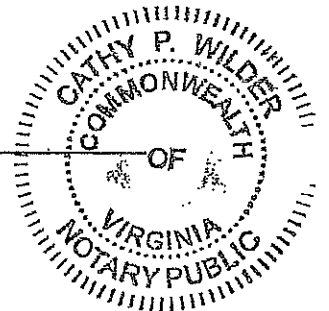
Commonwealth of Virginia
City/County of LEE:

The foregoing Repayment Agreement was acknowledged before me this 20th
day of November, 2014 by Charles R. Wynn, the
CHAIRMAN of the Lee County Industrial Development Authority

My notary expires: April 30, 2015

Notary Registration No. 7104194

Cathy P. Wilder
Notary Public





TROF COMMITTEE AGENDA

Monday
January 12, 2015 @ 1:00 pm
Crowne Plaza Hotel Downtown
Richmond, VA

Welcome and Call to Order	<i>Tim Pfohl, Interim Executive Director</i>
Call of the Roll	<i>Tim Pfohl, Interim Executive Director</i>
Approval of the <u>9/24/14 Minutes</u>	<i>(published on website)</i>
Grant Applications Grayson County IDA - #4 City of Bristol - Hotel Bristol	<i>Ned Stephenson, Deputy Director</i>
Extension Request Henry County - RTI International Metals	<i>Ned Stephenson, Deputy Director</i>
Policy Guidance	<i>Ned Stephenson, Deputy Director</i>
Fund Balance vs. Demand	<i>Ned Stephenson, Deputy Director</i>
Public Comments	
Adjournment	

TROF Incentive Guidelines

2999

Company/Project Name
Oak Hall Industries

Locality
Grayson County

Date
12.23.14

Unemployment rate:
Number of jobs promised:
Number of jobs saved:
Capital investment promised:
Average salary promised:
Annual payroll promised:
Annual local prevailing wage:
NAICS Code
NAICS Description
All Other Cut and Sew Apparel Manufacturing
Job Multiplier Per Region
Fiscal Stress Index Score

9.7
100
0
\$1,200,000
\$22,880
\$2,288,000
\$26,882
315299

Data Sources
annual unemployment rate
company and applicant
company and applicant
company and applicant
company and applicant
new jobs x salary
average annual wage
company and applicant
periodic calculation

1.27
101.98
periodic calculation
annual fiscal stress index


Number of Jobs - direct	100	x	\$1,866	=	\$186,600
Number of Jobs - indirect	26.97	x	\$467	=	\$12,597
Number of Jobs - saved	0	x	\$467	=	\$0
Capital Investment (in millions)	1.20	x	\$1,020	=	\$1,224
					\$200,421

Base Incentive					
Unemployment Premium more for high unemployment areas	base	x	1.07	=	\$214,186
Capital Investment Premium more for high capital-to-payroll ratio	base	x	(0.06)	=	(\$12,526)
High Wage Premium more for high new-wage-to-prevailing-wage ratio	base	x	(0.09)	=	(\$18,475)

Guideline Incentive Amount
Requested Incentive Amount

\$385,000

\$390,000


Ned Stephenson, Deputy Director

12.23.14
Date

- Guideline Incentive Amount RECOMMENDED
- Requested Incentive Amount RECOMMENDED


Tim Pföhl, Interim Executive Director

12/23/14
Date

- Guideline Incentive Amount APPROVED
- Requested Incentive Amount APPROVED

2996

TRDF Incentive Guidelines

Company/Project Name	Locality	Date
Hotel Bristol	Bristol City	12.2.14
		Data Sources
Unemployment rate:	7.8	annual unemployment rate
Number of jobs promised:	76	company and applicant
Number of jobs saved:	0	company and applicant
Capital investment promised:	\$17,700,000	company and applicant
Average salary promised:	\$18,000	company and applicant
Annual payroll promised:	\$1,368,000	new jobs x salary
Annual local prevailing wage:	\$32,676	average annual wage
NAICS Code	721110	company and applicant
NAICS Description		periodic calculation
Hotels (except Casino Hotels) and Motels		
Job Multiplier Per Region	1.26	periodic calculation
Fiscal Stress Index Score	110.38	annual fiscal stress index
Number of Jobs - direct	76 x	\$1,866 = \$141,816
Number of Jobs - indirect	20.03 x	\$467 = \$9,353
Number of Jobs - saved	0 x	\$467 = \$0
Capital Investment (in millions)	17.70 x	\$1,104 = \$19,537
Base Incentive		\$170,706
Unemployment Premium	base x	0.56 = \$95,282
more for high unemployment areas		
Capital Investment Premium	base x	0.29 = \$49,809
more for high capital-to-payroll ratio		
High Wage Premium	base x	(0.30) = (\$51,341)
more for high new-wage-to-prevailing-wage ratio		
Guideline Incentive Amount		\$265,000
Requested Incentive Amount		\$1,000,000

Ned Stephenson, Deputy Director

Date

Guideline Incentive Amount RECOMMENDED

Requested Incentive Amount RECOMMENDED

Tim Pfohl, Interim Executive Director

Date

Guideline Incentive Amount APPROVED

Requested Incentive Amount APPROVED

TROF Grant Summary

Henry County for RTI Martinsville, Inc.
as of 1/2/15

- Jan 2008 TROF grant of \$1.3M for 150 jobs and \$100M investment by Jan 2011.
- Apr 2010 extended to Jul 2000
- Sep 2011 extended to Dec 2012
- Oct 2013 extended to 2014
Job promise reduced to 70 in exchange for \$309k refund, and
Promise for full refund if all promises not met by Jun 2014.
- Jun 2014 deadline arrived
- Oct 2014 30 jobs found at RTI.
Staff requested investment data
- Nov 2014 RTI requested an extension
- Dec 2014 investment data received showing \$80.5M



EXECUTIVE COMMITTEE AGENDA

Monday
January 12, 2015 @ 5:00 pm
Crowne Plaza Hotel Downtown
Richmond, VA

Welcome and Call to Order	<i>Delegate Terry Kilgore, Chairman</i>
Call of the Roll	<i>Tim Pfohl, Interim Executive Director</i>
Approval of the <u>9/24/14</u> Minutes	<i>(published on website)</i>
Budget Transfers	<i>Stephanie Kim, Finance Director</i>
Donation of Grant-funded Assets	<i>Tim Pfohl, Interim Executive Director</i>
Public Comments	
Adjournment	



Buggs Island Telephone Cooperative **BIT Communications**

December 15, 2014

Arlene Simpson-Porter, Director
Grants Management Division
National Oceanic and Atmospheric Administration
1325 East West Highway, Room 9340, (SSMC2)
Silver Spring, MD 20910-3282

RE: Buggs Island Cooperative Telephone, Grant Award No. NT10BIX5570065, Disposition of WiMAX Equipment

Dear Ms. Porter,

On April 1, 2010, NTIA awarded BIT \$18,983,648 to build a wireless broadband network in 15 counties in south central Virginia to reach unserved and underserved populations in rural Virginia, including approximately 100,000 households, 14,000 businesses, and 700 CAIs. BIT provided \$4,975,049 in matching funds including a \$3,879,087 cash match from the Virginia Tobacco Indemnification and Community Revitalization Commission. The project was scheduled to be completed by March 31, 2013.

By the first quarter of 2012, BIT had deployed WiMAX equipment on 24 of 35 towers, at which point it became apparent that the 700 MHz WiMAX system faced unacceptable interference from neighboring LTE wireless systems, which rendered BIT's system inoperable. Thus, in September 2013, NTIA/NOAA approved a Revised Broadband Plan and extended BIT's grant, allowing us to use our remaining funds to deploy an LTE network in five of the original fifteen counties.

Fourteen months later, BIT has completed that build, deploying a 10-tower wireless LTE broadband network capable of reaching 30,720 households and 1,590 businesses. As of mid-November 2014, BIT had signed up 460 new customers with 70% of them up and running. Over the last year, BIT also began the process of winding down its WiMAX commitment, terminating 25 of its initial 35 tower leases and selling its spectrum interest in the cellular market areas it could no longer afford to serve. Only the disposition of BIT's WiMAX equipment and our pledge to install 1600 customers by June 30, 2015 remain outstanding.

On June 5, 2014 following a May 13/14 site visit, NOAA sent BIT a letter requiring BIT to provide within 30 days a complete list of all equipment purchased with BTOP funds, invoices for the \$7.5M of equipment purchased under the award, a certification of physical inventory taken to ensure no loss of property, and a description of a plan to more adequately secure the facility or to move the equipment to

100 Nellie Jones Road
1.434.636.2274

P. O. Box 129
1.888.829.2844

Bracey, Virginia 23919
www.bitbroadband.com

another site. BIT was also instructed to sell the equipment and reimburse the government as required and to provide evidence that it has explored multiple options for the sale of equipment.

BIT responded to all these requests, most recently on August 21, 2014, describing our efforts to dispose of the equipment and attaching a full list of equipment no longer needed, totaling \$9,081,507.01. At this juncture, we have generated commitments from three parties—NetHope, Virginia Polytechnic Institute and State University, and Georgia Tech Research Institute—to accept the equipment at no cost to themselves with the exception of storage and shipping costs, which each party will assume. All parties plan to take possession of the equipment no later than January 30, 2015.

In brief, NetHope requests \$8,401,810.29 of the equipment to support NetHope's mission to deploy low cost communications infrastructure to support humanitarian efforts in remote areas of the globe, in this instance in West African countries affected by the Ebola virus, specifically in Sierra Leone and Guinea. Virginia Polytechnic Institute and State University requests \$408,694.96 of the equipment to support wireless research and education at Virginia Tech, a core strength of the University's Department of Electrical and Computer Engineering. Finally, Georgia Tech Research Institute asks for \$271,001.76 in equipment to support its Department of Defense customers in developing wireless applications.

I have attached all three request letters including the specific equipment requested by each party as well as completed SF-428, SF-428C, and SF-428S forms to this communication. BIT Communications is waiving its match interest in the WiMAX assets in releasing the equipment to these three parties. We respectfully request the Grants Office to approve the disposition of the \$9,081,507.01 in equipment that is not required for the currently approved LTE project among these three parties as requested.

If you have any questions please do not hesitate to contact me.

Regards,

Michele Taylor

Michele Taylor, AOR

Buggs Island Telephone (BIT)

434-689-6300 (Ext. 225)

Copies:

100 Nellie Jones Road
1.434.636.2274

P. O. Box 129
1.888.829.2844

Bracey, Virginia 23919
www.bitbroadband.com

TROF Awards FY08 - FY15 (Default Summary)

as of 1/7/15

Tobacco Region Locality	Summary of All Awards				Summary of Awards that have Reached Conclusion						
	Number of Awards	Amount of Award	Jobs Promised*	Capital Investment Promised**	Number of Awards	Amount of Award	Jobs Promised*	Jobs Delivered*	Capital Investment Promised**	Capital Investment Delivered**	Amount of Clawbacks***
Bedford	5	\$1,055,000	319	\$58,627,509	2	\$600,000	179	129	\$33,917,509	\$28,252,000	(\$100,000)
Bland	1	\$100,000	50	\$4,768,773							
Bristol City	7	\$4,552,000	347	\$55,364,298	1	\$3,400,000	69	69	\$22,500,000	\$22,500,000	\$0
Buchanan	1	\$1,100,000	400	\$10,000,000	1	\$1,100,000	400	46	\$10,000,000	\$6,500,000	(\$150,000)
Campbell	5	\$450,000	289	\$51,720,000	3	\$350,000	220	160	\$44,070,000	\$14,070,000	(\$200,000)
Carroll	4	\$700,000	296	\$14,210,000	1	\$100,000	125	12	\$4,635,000	\$4,635,000	(\$45,000)
Charlotte	4	\$1,200,000	317	\$14,800,000							
Danville City	16	\$10,330,000	4,577	\$270,312,000	6	\$2,690,000	2,816	2,772	\$178,062,000	\$176,562,000	(\$94,000)
Dinwiddle	7	\$1,963,000	679	\$134,648,500	3	\$228,000	113	45	\$7,023,500	\$7,023,500	(\$68,313)
Emporia City	2	\$185,000	403	\$3,800,000	2	\$185,000	403	376	\$3,800,000	\$2,750,000	(\$58,920)
Floyd	1	\$65,000	17	\$6,110,000							
Franklin	5	\$770,000	350	\$21,775,000	1	\$100,000	25	19	\$5,750,000	\$5,750,000	(\$12,000)
Galax City	5	\$1,305,000	580	\$14,524,000	1	\$100,000	40	40	\$2,100,000	\$2,100,000	\$0
Grayson	7	\$1,875,000	627	\$17,700,000	4	\$575,000	327	161	\$8,200,000	\$5,500,000	(\$232,750)
Greensville	6	\$1,446,000	416	\$46,510,000	4	\$1,190,000	359	72	\$20,650,000	\$7,500,000	(\$950,000)
Halifax	8	\$4,527,349	606	\$155,372,365	7	\$3,927,349	569	207	\$150,372,365	\$149,255,365	(\$170,000)
Henry	14	\$7,955,274	1,460	\$236,325,750	6	\$1,735,000	496	402	\$27,400,000	\$26,000,000	\$0
Lee	1	\$450,000	150	\$25,000,000							
Lunenburg	6	\$620,000	154	\$22,909,000	2	\$170,000	47	47	\$6,670,000	\$6,670,000	\$0
Martinsville City	4	\$1,380,000	377	\$6,100,000	2	\$970,000	317	317	\$4,100,000	\$4,100,000	\$0

Tobacco Region Locality	Summary of All Awards				Summary of Awards that have Reached Conclusion						
	Number of Awards	Amount of Award	Jobs Promised*	Capital Investment Promised**	Number of Awards	Amount of Award	Jobs Promised*	Jobs Delivered*	Capital Investment Promised**	Capital Investment Delivered**	Amount of Clawbacks***
Mecklenburg	6	\$9,070,000	405	\$1,004,648,000	3	\$5,080,000	135	115	\$305,148,000	\$304,346,712	(\$37,050)
Nottoway	1	\$200,000	104	\$2,500,000	1	\$200,000	104	43	\$2,500,000	\$2,500,000	(\$88,050)
Patrick	9	\$2,193,000	610	\$53,384,000	6	\$950,000	490	343	\$9,584,000	\$7,076,112	(\$239,300)
Pittsylvania	3	\$280,000	86	\$13,060,000	2	\$180,000	50	25	\$8,100,000	\$1,100,000	(\$105,000)
Prince Edward	4	\$700,000	228	\$27,525,000	1	\$430,000	150	150	\$20,000,000	\$20,000,000	\$0
Russell	3	\$975,000	190	\$9,300,000	1	\$250,000	100	100	\$1,800,000	\$1,800,000	\$0
Scott	5	\$1,012,000	198	\$40,952,000	2	\$210,000	78	51	\$2,152,000	\$1,374,800	(\$66,325)
Smyth	3	\$670,000	194	\$9,474,500							
Sussex	1	\$110,000	28	\$8,085,170	1	\$110,000	28	28	\$8,085,170	\$8,085,170	\$0
Tazewell	3	\$1,437,984	461	\$143,504,434	1	\$100,000	113	59	\$3,209,834	\$1,304,443	(\$53,500)
Washington	7	\$3,903,000	623	\$51,433,000	4	\$3,633,000	538	506	\$45,933,000	\$41,889,940	(\$93,577)
Wise	2	\$265,000	270	\$2,700,000	1	\$200,000	242	0	\$1,500,000	\$1,500,000	(\$100,000)
Wythe	2	\$300,000	100	\$5,100,000							
Grand Total:	158	\$63,144,607	15,911	\$2,542,243,299	69	\$28,763,349	8,533	6,294	\$937,262,378	\$860,145,042	(\$2,863,784)

*In addition to those in existence at the time the award was approved

**In addition to that in existence at the time the award was approved

***Clawbacks are sought whenever jobs and/or investments delivered are less than those promised

This report does not include:

1. Seven awards totaling \$1 million for the 2005 enterprise zone shortfall
2. One award totaling \$151,480 to the Bland County Public Service Authority for the Bland County Wastewater and Distribution project
3. Three awards totaling \$30 million to the Brunswick County IDA for Virginia Electric Power Company (VEPCO)



ORIENTATION AGENDA

Tuesday
January 13, 2015
(upon adjournment of full Commission meeting)
Crowne Plaza Hotel Downtown
Richmond, VA

Welcome

Tim Pfohl, Interim Executive Director

Policies/Procedures/Projects

TIC Staff

Q&A

Public Comments

Adjournment

Tobacco Indemnification and Community Revitalization Commission
 Financial Summary
 As of November 30, 2014

TICR Fund Balance	\$ 228,203,329
Restricted Endowment Balance	\$ 75,976,441
Unrestricted Endowment Balance	\$ 237,628,816
Restricted Endowment Accum Interest	\$ 5,717,443
Unrestricted Endowment Accum Interest	\$ 7,273,949
Total Cash & Investments	\$ 554,799,977

Cash Disbursements - this month	\$ 5,070,943
Cash Disbursements - FYTD	\$ 28,857,375

Fund	Unobligated Balances
Special Projects	\$ 400,490
Education	\$ 10,194,942
TROF (Deal Closing)	\$ 9,232,509
Southside Economic Development	\$ 19,220,205
Southwest Economic Development	\$ 2,450,475
Technology	\$ 302,040
Agribusiness	\$ 1,370,629
R&D	\$ 16,824,924
Reserve	\$ 445,951
Megapark	\$ 6,297,437
Administration	\$ 1,574,056
TICRC General Account	\$ 3,473,489
FY2015 Budget Balance	\$ 71,787,146

Tobacco Indemnification and Community Revitalization Commission
Statement of Revenues, Expenditures, and Changes in Fund Balance (Cash Basis)
As of November 30, 2014

	<u>FY15 Budget</u>	<u>YTD Actual</u>	<u>YTD Actual as % of Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<u>REVENUES</u>				
Other Revenue	\$ -	\$ 234,787.26		234,787.26
Total Revenues	\$ -	\$ 234,787.26		\$ 234,787.26
<u>EXPENDITURES</u>				
Administration				
Salaries, Fringe Benefits, Per Diems	\$ 1,263,502	\$ 511,986.00	40.5%	\$ 751,516.00
Contractual Services	506,300	123,022.97	24.3%	383,277.03
Supplies and Materials	8,000	1,394.96	17.4%	6,605.04
Transfer Payments	326,070	-	0.0%	326,070.00
Rent, Insurance, Agency Svc Charges	163,170	96,796.44	59.3%	66,373.56
Furniture and Equipment	40,600	385.41	0.9%	40,214.59
Subtotal - Administration	\$ 2,307,642	\$ 733,585.78	31.8%	\$ 1,574,056.22
Community Revitalization	46,600,000	28,123,789.36		
Total Expenditures	\$ 48,907,642	\$ 28,857,375.14		
Revenues Over (Under) Expenditures	\$ (48,907,642)	\$ (28,622,587.88)		
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In (endowment and earnings)	\$ 43,267,642	\$ -		
CASH BALANCE, June 30, 2014	\$ 256,825,917	\$ 256,825,916.96		
CASH BALANCE, November 30, 2014	\$ 251,185,917	\$ 228,203,329.08		

2016												
Meeting Dates*	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Commissioner**	13 @ 10											
Agribusiness												
Education												
Executive	12 @ 5											
R & D	12 @ 3:30											
Special Projects												
SS Economic Dev												
SW Economic Dev	12 @ 2											
TROF	12 @ 1											

Grant Application Deadlines*

Agribusiness												
Education												
R & D												
Special Projects												
SS Econ Development												
SW Econ Development												
Megasite												

ALL MEETINGS DATES AND GRANT APPLICATION DEADLINES ARE TENTATIVELY SCHEDULED AND ARE SUBJECT TO CHANGE

VIRGINIA TOBACCO COMMISSION COMMITTEES
(as of 1/7/15)

**AGRIBUSINESS
COMMITTEE**

Kenney Barnard
James Edmunds
Frank Harris
Todd Haymore
Don Merricks
Ronnie Montgomery, *Vice-Chair*
Kenneth Reynolds
Cecil Shell
Robert Spiers, *Chair*
William Stanley
Richard Sutherland
Tommy Wright

EDUCATION COMMITTEE

Becky Coleman
Frank Harris
Don Merricks, *Vice-Chair*
Dale Moore
Todd Pillion
Kenneth Reynolds
Frank Ruff, *Chair*
Cecil Shell
William Stanley
Gary D. Walker
Tommy Wright

EXECUTIVE COMMITTEE

Kathy Byron
Charles Carrico
Maurice Jones
Terry Kilgore, *Chair*
Danny Marshall
Don Merricks
David Redwine
Frank Ruff, *Vice-Chair*
Gary Walker
Tommy Wright

**RESEARCH AND
DEVELOPMENT
COMMITTEE**

Kathy Byron, *Chair*
Charles Carrico
Rebecca Coleman
Maurice Jones
Danny Marshall
Dale Moore
Will Morefield
Sandra F. Moss
Ed Owens
Todd Pillion
Kenneth Reynolds
Frank Ruff
Ralph Smith
(no Vice-Chair assigned)

**SOUTHSIDE
ECONOMIC
DEVELOPMENT
COMMITTEE**

Kathy Byron
John Cannon
James Edmunds
Missy Neff Gould
Maurice Jones
Danny Marshall
Don Merricks
Ed Owens
Frank Ruff
William Stanley
Gary D. Walker, *Vice-Chair*
Tommy Wright, *Chair*

**SOUTHWEST
ECONOMIC
DEVELOPMENT
COMMITTEE**

Charles Carrico, *Vice-Chair*
Becky Coleman
Maurice Jones
Ronnie Montgomery
Will Morefield
Todd Pillion
David Redwine, *Chair*
Ralph Smith
Richard Sutherland

**SPECIAL PROJECTS
COMMITTEE**

Kenney Barnard
Kathy Byron
John Cannon
Charles Carrico
Missy Neff Gould
Maurice Jones
Danny Marshall, *Chair*
Sandra F. Moss
Ed Owens
David Redwine
Ralph Smith
Robert Spiers
Gary D. Walker
(no Vice-Chair assigned yet)

TROF COMMITTEE

Terry Kilgore, *Chair*
Danny Marshall
Tim Pfohl
Frank Ruff, *Vice-Chair*

15 Years of Revitalizing Virginia's Tobacco Region

\$1 Billion
Awarded

1,800
Grants

15,000
Jobs

\$3 Billion
Invested

Fifteenth
ANNUAL REPORT
FISCAL YEAR 2014



VIRGINIA TOBACCO
Indemnification and
Community Revitalization
COMMISSION

The Honorable Terry G. Kilgore
Chairman

The Honorable Frank M. Ruff
Vice Chairman



701 East Franklin Street, Suite 501
Richmond, Virginia 23219

804-225-2027 [Phone]
877-807-1086 [Toll Free]
804-786-3210 [Fax]

www.tic.virginia.gov

Virginia Tobacco Indemnification and Community Revitalization Commission

October 1, 2014

To the Governor and Members of the General Assembly of Virginia:

The close of fiscal year 2014 marks the Commission's 15th year of promoting economic growth in the Commonwealth's most challenging economic region. Our long-term objective of revitalization is steadily becoming a reality. On behalf of the Commission, I am pleased to report our progress to you in this *Annual Report* and hope you will be impressed by our substantial impact described throughout.

Tobacco growers and quota owners in Virginia endured unprecedented losses since the *Master Settlement Agreement* was reached in 1998. The aggregate loss was determined to be \$479 million and as of 2012, the Commission, together with other sources, has indemnified 100% of that loss. This effort alone has made unparalleled improvements in the economy of Virginia's tobacco region.

The Commission's efforts to revitalize tobacco communities have taken many forms, as you will see in the pages that follow. In the year ending June 30, 2014, the Commission committed over \$88 million to 118 different economic development projects serving 34 counties and 6 independent cities in Virginia's tobacco belt.

In 2014, more than 2,000 new jobs and \$770 million of investment in taxable assets in the tobacco region were committed by new and existing companies. More than 3,300 students residing in the tobacco region received higher education financial aid and more than 2,900 residents were anticipated to have increased access to healthcare.

On behalf of the Commission, I am grateful for your continued support of our mission and look forward to another year of partnership with you in bringing renewed prosperity to thousands of households in this area of the Commonwealth that we are privileged to serve.

Sincerely,

Terry G. Kilgore
Chairman

Mission

"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 (i) provide payments to tobacco farmers as compensation for the adverse economic effects resulting from loss of investment in specialized tobacco equipment and barns and lost tobacco production opportunities associated with a decline in quota and (ii) revitalize tobacco dependent communities."

--Section 3.2-3101, *Code of Virginia*

Strategies

(i) Indemnification of Tobacco Farmers

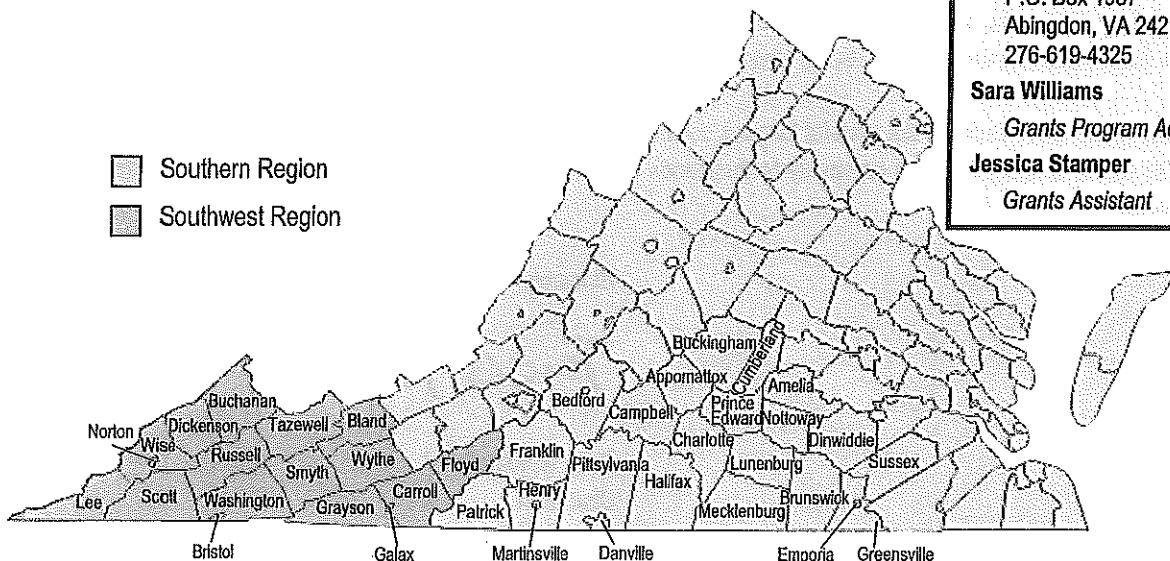
The Commission has satisfied its statutory obligation to indemnify burley and flue-cured producers and quota owners. From its inception through the end of fiscal year 2012, the Commission has made available \$309 million in addition to the \$170 million from other sources for indemnifying losses.

(ii) Revitalization of Tobacco Dependent Communities

Revitalization is accomplished through eight grant programs that make awards to local governments, government entities, and non-profit organizations. The Commission prioritizes projects that maximize leveraging from applicants and other partner organizations, and gives preference to projects that have regional participation and generate the most significant economic outcomes—primarily measured in terms of new jobs, income and taxable private capital investment—for the residents, businesses and localities in the tobacco region.

Service Area

The Commission's service area includes 40 tobacco-dependent localities in Southern and Southwest Virginia. Local governments and nonprofits serving those localities are eligible to apply to the Commission's eight grant programs.



COMMISSION STAFF

MAIN OFFICE

701 East Franklin St., Suite 501
Richmond, VA 23219
804-225-2027

Tim Pfohl

*Interim Executive Director/
Grants Program Director*

Ned Stephenson

Deputy Director

Carolyn Bringman

Performance Data Analyst

Sarah Goodwyn

Financial Services Specialist

Stephanie Kim

Director of Finance

Suzette Patterson

Grants Office Manager

Stacey Richardson

Executive Assistant

SOUTHERN FIELD OFFICE

615-a South Main Street
Chatham, VA 24531
434-432-7203

Sarah Capps

Grants Program Administrator

Benjamin Dawson

Grants Assistant

SOUTHWEST FIELD OFFICE

One Partnership Circle
P.O. Box 1987
Abingdon, VA 24212
276-619-4325

Sara Williams

Grants Program Administrator

Jessica Stamper

Grants Assistant



Chairman

The Honorable Terry G. Kilgore
 Delegate, Gate City



Vice Chairman

The Honorable Frank M. Ruff
 Senator, Clarksville

House of Delegates Members

The Honorable Kathy J. Byron	Lynchburg
The Honorable James E. Edmunds, II	Halifax
The Honorable Daniel W. Marshall, III	Danville
The Honorable Will Morefield	Tazewell
The Honorable Thomas C. Wright, Jr.	Victoria

Senate Members

The Honorable Charles W. Carrico, Sr.	Galax
The Honorable Ralph K. Smith	Huddleston
The Honorable William Stanley, Jr.	Moneta

Secretary of Commerce and Trade

The Honorable Maurice Jones	Richmond
-----------------------------	----------

Secretary of Finance

The Honorable Richard D. Brown	Richmond
--------------------------------	----------

Secretary of Agriculture and Forestry

The Honorable Todd P. Haymore	Richmond
-------------------------------	----------

Active Flue-Cured Tobacco Producers

Mr. Kenny F. Barnard	Amelia
Mr. Cecil E. Shell	Kenbridge

Active Burley Tobacco Producers

Mr. H. Ronnie Montgomery	Jonesville
Mr. Kenneth O. Reynolds	Abingdon
Mr. Richard L. Sutherland	Elk Creek

Virginia Farm Bureau Federation Representative

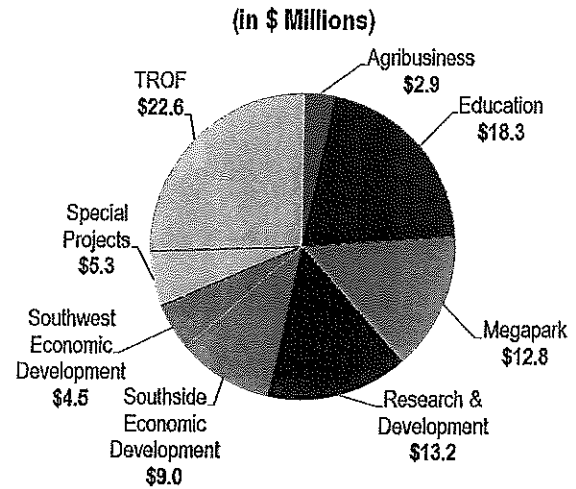
Mr. Robert Spiers	Stony Creek
-------------------	-------------

Citizens

Mr. John R. Cannon	South Boston
Ms. Becky Coleman	Gate City
Ms. Melissa "Missy" Neff Gould	Danville
The Honorable Franklin D. Harris	Amelia
The Honorable Donald Merricks	Chatham
Mr. A. Dale Moore	Altavista
Ms. Sandra Moss	Dillwyn
The Honorable Edward Owens	South Boston
Dr. Todd E. Pillion, DDS	Abingdon
Dr. David S. Redwine, DVM	Gate City
The Honorable Gary Walker	Charlotte
	Court House

Fiscal Year 2014 Grant Awards

8 Grant Programs
118 Grants
\$88.6 Million Awarded



Agribusiness Grants to assist the tobacco region's agricultural community in diversifying into new production opportunities and developing value-added enterprises.

Organization	Project Description	Grant Amount
Abingdon Feeder Cattle Association, Inc.	Beef Builder Initiative - Phase II	\$600,000
Campbell County	Central Virginia Produce, Livestock, and Feed Storage Systems program	\$487,000
Charlotte County	Regional Processing for Aquacultured Products	\$438,500
Lincoln Memorial University	Large Animal Clinical Skills of the LMU College of Veterinary Medicine Large Animal Teaching and Research Center	\$607,421
Southwest Livestock Cooperative, Inc.	Southwest Virginia Livestock Center	\$232,860
Town of Glade Spring	Farmers Market and Performing Arts Center	\$150,000
Virginia Polytechnic Institute and State University	Agricultural Energy Efficiency Initiative	\$373,500
Total Agribusiness (7)		\$2,889,281

Education Grants for various projects that will create a world-class workforce in the tobacco region, including scholarships, community college programs and workforce training.

Organization	Project Description	Grant Amount
Central Virginia Community College Educational Foundation, Inc.	Tobacco Scholarships 2014 - 2015 School Year	\$170,000
Central Virginia Community College Educational Foundation, Inc.	Equipment Upgrades For Machine Tool Program	\$206,972
Danville Community College	Certified Welding Program	\$150,000
Danville Community College	Sitework Design/Management Funding for New Technology Building	\$72,075
Danville Community College Educational Foundation, Inc.	Scholarships and Training 2014-2015	\$420,000
John Tyler Community College Foundation	Tobacco Region Scholarship Program	\$99,875

Organization	Project Description	Grant Amount
Mountain Empire Community College	Scholarships for Tobacco Families and AIMS Higher Scholars 2014 - 2015 School Year	\$420,000
Mountain Empire Community College Foundation	Advanced Manufacturing Workforce Training	\$59,595
New College Foundation	Advanced Manufacturing Center of Excellence	\$2,000,000
Patrick Henry Community College Foundation	STEM-H Priority Scholarships 2014 - 2015 School Year	\$420,000
Southern Virginia Higher Education Center	Advanced Manufacturing Boot-Camp	\$163,750
Southern Virginia Higher Education Center	SoVA Advanced Manufacturing Center of Excellence	\$2,000,000
Southern Virginia Higher Education Center	Workforce Training: Welding in Halifax County	\$20,886
Southside Virginia Community College Foundation	2014 - 2015 Scholarship Program	\$420,000
Southside Virginia Community College Foundation	Technical Training for Southside's Workforce - Equipment purchase	\$456,756
Southwest Virginia Community College	Tobacco Outreach Scholarship Program FY14-15	\$420,000
Southwest Virginia Higher Education Center	2014-2015 Tobacco Region Scholarship Program (Southside)	\$4,713,780
Southwest Virginia Higher Education Center	2014-2015 Tobacco Region Scholarship Program (Southwest)	\$2,117,785
Southwest Virginia Higher Education Center	Tobacco Region Scholarship Work Incentive Fund	\$1,757,779
Southwest Virginia Higher Education Center Foundation	STEM-H Clinical Lab Sciences	\$500,000
Virginia Foundation for Community College Education	GED to College: Increasing Educational Attainment Levels in the Tobacco Region	\$389,000
Virginia Highlands Community College	Scholarships for Tobacco Families and AIMS Higher Scholars 2014-2015 School Year	\$420,000
Virginia Highlands Community College	Workforce Training in Advanced Manufacturing	\$163,550
Virginia Western Community College Educational Foundation, Inc.	Franklin County Community College Access Program and Franklin County CNA Scholarship Program	\$209,776
Wytheville Community College Educational Foundation, Inc.	Improving Advanced Manufacturing Education	\$110,150
Wytheville Community College Educational Foundation, Inc.	Forging Futures Scholarship Program 2014-2015	\$420,000
Total Education (26)		\$18,301,729



Photos: Jill Nance/The (Lynchburg) News & Advance



In August 2014, Liberty University's College of Osteopathic Medicine welcomed its 162-member inaugural class and celebrated the grand opening of the Center for Medical and Health Sciences, which was built and equipped with \$20.5 million of Special Projects grants. The 144,000 square foot educational facility is home to both the College of Osteopathic Medicine and the Master's of Public Health program and houses 52 faculty and full-time staff. Liberty University provided more than \$20.5 million of matching funds to complete the state-of-the-art facility and has partnered with health systems in the tobacco region to provide residency opportunities in the historically underserved area.

Economic Revitalization Grant Awards

FY 2014



In June 2014, the Clean Energy Research and Development Center opened its doors in Washington County. The Center was planned and built with more than \$9 million in Special Projects and Research and Development grants to serve as a magnet for commercializing energy research projects.



In 2014, a major milestone was achieved when the Army Corps of Engineers issued a permit that allowed grading to begin at Commonwealth Crossing Business Centre in Henry County. Grading and utility work at the site has been funded with \$16 million from Megasite and other grants.

Megasite Grants for site development of large-scale industrial properties that are intended to attract significant economic development employers and facilities such as automotive assembly.

Organization	Project Description	Grant Amount
Blue Ridge Crossroads Economic Development Authority	Wildwood Commerce Park- Increasing Wastewater Capacity	\$962,500
Greensville County	Mid-Atlantic Advanced Manufacturing Center	\$4,489,211
Martinsville-Henry County Economic Development Corporation	Commonwealth Crossing Business Centre Prospects	\$6,500,000
Sussex County	Route 626 (Beef Steak Road) Mega Site	\$836,375
Total Megasite (4)		\$12,788,086

Research and Development Grants to encourage collaboration between private scientists and investors, tobacco region localities and/or Virginia's educational institutions to conduct research and development that will lead to commercialization in the region.

Organization	Project Description	Grant Amount
Bland County Economic Development Authority	Underground Mine Wireless Communication, Tracking and Atmospheric Monitoring System (Part 2)	\$600,000
Lee County IDA	Demonstration & Commercialization of the HHS Coal Refining Process for Economic Development in the Southwest Virginia Coalfields	\$1,181,075
Region 2000 Research Institute	Hot Flow Test Loop (HFTL) Facility (B&W)	\$2,000,000
Southwest Virginia Higher Education Center Foundation	Battery-Powered Coal Hauler for Low-Seam Underground Coal Mining	\$1,143,863
Southwest Virginia Higher Education Center Foundation	Biochemical Conversion of Lignocellulosic Biomass (Optafuel)	\$2,000,000
Southwest Virginia Higher Education Center Foundation	Excavation Damage Prevention Devices	\$1,500,000
Southwest Virginia Higher Education Center Foundation	LiteSheet: energy-efficient and lower-cost LED lights	\$2,000,000
The Rector and Visitors of the University of Virginia	Fermata V2G	\$2,000,000
Washington County Industrial Development Authority	Bristol Compressors International, Inc. Flammable Refrigerant Testing and Product Qualification	\$808,744
Total Research and Development (9)		\$13,233,682

Southside Economic Development Grants *to develop industrial sites and business/technology parks, improve water, sewer, broadband and other utility infrastructure that serves employment centers, and develop tourism infrastructure in the southern region.*

Organization	Project Description	Grant Amount
Charlotte County Industrial Development Authority	Phase I (Shell Building Acquisition)	\$2,029,728
Charlotte County Industrial Development Authority	Regional Processing Facility for Agricultural Value-Added Products	\$500,000
Clarksville Senior Care, LLC	MeadowView Terrace Expansion	\$358,000
Franklin County	Commerce Center Infrastructure Relocation	\$298,093
Greensville County	Skippers Well Integration	\$68,584
Halifax Regional Long-Term Care, Inc.	The Woodview Expansion	\$435,000
Industrial Development Authority of Halifax County	Phase III Rehab for Reuse of Green View Advanced Manufacturing Center	\$1,140,500
Lunenburg County	STEPS Project Plumbing Requirements	\$45,000
Mecklenburg County	Expansion Project	\$596,388
Mecklenburg County	Boydton Plank Road Industrial Park Expansion	\$1,286,500
Mecklenburg County	County Shell Building	\$1,200,000
Mecklenburg County	Industrial Site Readiness Initiative	\$74,844
Robert Russa Moton Museum	Civil Rights in Education Heritage Trail Tourist Center	\$77,785
Town of Gretna	Industrial Park Gravity Sewer Completion	\$335,000
Town of Rocky Mount	Harvester Performance Center Construction	\$500,000
Town of South Hill	Industrial Site Readiness Initiative	\$59,251
Total Southside Economic Development (16)		\$9,004,673

Southwest Economic Development Grants *to develop industrial sites and business/technology parks, improve water, sewer, broadband and other utility infrastructure that serves employment centers, and develop tourism infrastructure in the southwest region*

Organization	Project Description	Grant Amount
Bland County Economic Development Authority	County Industrial Park Extension	\$700,000
City of Galax	Chestnut Creek School of the Arts Woodworking Studio	\$125,000
Lee County IDA	Constitutional Oaks Access Road Development	\$60,000
Lincoln Memorial University	Large Animal Teaching and Research Center of the LMU College of Veterinary Medicine	\$537,000
Rural Retreat Depot Foundation Inc	Depot Restoration - Phase One (Stabilization)	\$49,534
Smyth County Board of Supervisors	Exit 39 - Seven Mile Ford - Sewer	\$83,000
Southwest Regional Recreation Authority	Adventure Playground of the East - Developing a Network of Sustainable & Profitable Trail Systems	\$300,000
The Barter Foundation, Inc.	Expanding the Production Capacity of Barter Theatre	\$255,250
Town of Big Stone Gap	Visitors Center	\$200,000
Virginia Coalfield Coalition	Virginia Coalfield 4G Wireless	\$1,500,000
Virginia Tourism Authority (VA Tourism Corporation)	Big Stone Gap - Motion Picture	\$500,000
Virginia's Heritage Music Trail: The Crooked Road	Expanding The Crooked Road Brand	\$208,000
Total Southwest Economic Development (12)		\$4,517,784



The Corsi Group announced its commitment to create 110 jobs and invest more than \$5 million in Charlotte County's industrial park. In addition to the \$375,000 in TROF funds provided to the Indiana-based cabinet manufacturer, Southside Economic Development funds enabled the County to acquire and expand an existing industrial building for the project.



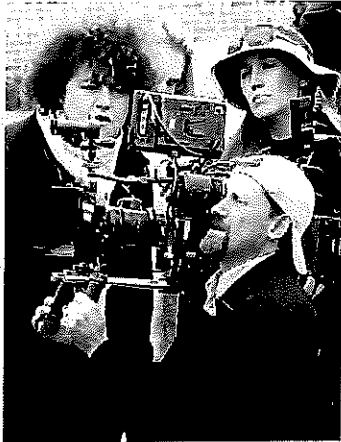
Two grants totaling \$1.15 million in Agribusiness and Southwest funds were awarded to Lincoln Memorial University's College of Veterinary Medicine to construct a large animal teaching and research center in Lee County. An inaugural class of 96 doctoral students began studies in August 2014 at the third veterinary school in the United States to open in the last 35 years.

Special Projects Grants for projects that expand access to healthcare services for tobacco region residents or regional participation economic development projects that benefit multiple localities or the tobacco region as a whole.

Organization	Project Description	Grant Amount
Center for Rural Virginia	Regions Strategic Plans Assessment	\$50,000
Franklin County	Commerce Center Infrastructure Relocation	\$400,000
Mecklenburg County	Virginia's Growth Alliance Marketing	\$100,000
REDC Community Capital Group Incorporated	Revolving Loan Fund for Job Creation and Small Business Development in Southside Virginia	\$500,000
St Mary's Health Wagon	Expansion of Primary Health Care and Telemedicine Services	\$85,000
The Rector and Visitors of the University of Virginia	Improving Working Women's Health in the Tobacco Region through Telemedicine	\$927,793
Virginia Commonwealth University	Working to Achieve a Cancer-Free Virginia	\$3,000,000
Wellmont Foundation (Wellmont Health System)	Level One Heart Attack Network - SWVA Phase II	\$200,000
Total Special Projects (8)		\$5,262,793

Tobacco Region Opportunity Fund (TROF) Grants Performance-based grants to localities in the tobacco region to assist in the creation of new jobs and investments, whether through new business attraction or existing business expansion.

Organization	Project Description	Grant Amount
Bland County	W & B Fabricators, Inc.	\$100,000
Brunswick County IDA	Transcontinental Gas Pipe Line Co. and Virginia Electric & Power Co.	\$10,000,000
Carroll County Industrial Development Authority	Virginia Produce Company, Inc.	\$200,000
Charlotte County Industrial Development Authority	The Corsi Group	\$375,000
City of Bristol	CBH Bristol, LLC. (Creative Boutique Hotels)	\$265,000
City of Bristol	Snack Alliance, Inc. (Shearer's Foods, Inc.)	\$245,000
City of Bristol	Studio Brew, LLC.	\$100,000



Southwest funds along with Governor's Motion Picture Opportunity funds enabled the Virginia Film Office to reimburse a portion of production expenses for the filming of author/producer Adriana Trigiani's film adaptation of her bestselling novel series "Big Stone Gap". The motion picture was filmed in Big Stone Gap, VA, debuted at the 2014 Virginia Film Festival, and is scheduled for national release in 2015.



Virginia Electric Power Company is investing \$800 Million to construct a 1,360 megawatt natural gas power station in Brunswick County. Southside Economic Development funds enabled the County to acquire the site and a major TROF grant is funding the expansion of Transcontinental Gas Pipe Line Company's natural gas infrastructure that will also benefit several neighboring Southern Virginia counties.

Organization	Project Description	Grant Amount
City of Danville	North American Mold Technology, LLC	\$520,000
City of Martinsville	Solid Stone Fabrics	\$100,000
Dinwiddie County IDA	G. A. & F. C. Wagman, Inc.	\$235,000
Franklin County	Trinity Packaging	\$75,000
Floyd County	Hollingsworth & Vose	\$65,000
Grayson County	Falcon Turbine, Inc.	\$105,000
Grayson County	Independence Lumber	\$150,000
Henry County	CP Films, Inc. (Eastman Chemical Company)	\$230,000
Lunenburg County	ABC Recycling	\$45,000
Lunenburg County	Coast 2 Coast Trucking, Inc.	\$100,000
Mecklenburg County Industrial Development Authority	Microsoft Corporation	\$1,600,000
Patrick County Economic Development Authority	Pioneer Health Services	\$185,000
Prince Edward County	Helton House, Inc.	\$80,000
Prince Edward County	J. R. Tharpe Trucking Co., Inc.	\$95,000
Russell County Industrial Development Authority	Steel Fab, Inc., A Division of Samuel Pressure Vessel Group, Inc.	\$160,000
Scott County Economic Development Authority	Secure Mountain LLC.	\$460,000
Scott County Economic Development Authority	VFP, Inc.	\$160,000
Smyth County Industrial Development Authority	Liao Yang Ning Feng Woodenware Co., Ltd. (New Ridge, LLC)	\$450,000
Tazewell County	Ecosus Virginia, LLC.	\$1,000,000
Virginia Intermont College	Virginia Intermont College	\$210,000
Total Unannounced Projects (9)		\$5,245,000
Total TROF (36)		\$22,555,000
2014 AWARDS GRAND TOTAL (118)		\$88,553,028

Revenues, Expenditures and Net Position

Consolidated Statement of Net Position

	Fiscal Year 2014 (unaudited)	Fiscal Year 2013
Assets:		
Current and other assets	\$587,060,887	\$661,795,891
Capital and intangible assets	17,833	44,964
Total assets	587,078,720	661,840,855
Liabilities:		
Current and other liabilities	2,988,361	7,186,756
Long-term liabilities	93,483	120,168
Total liabilities ¹	3,081,844	7,306,924
Net position ² :	\$583,996,876	\$654,533,931

¹In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*, total liabilities do not include \$174 million at June 30, 2014, and \$191 million at June 30, 2013, in obligations for grant awards made prior to fiscal year end.

²Total net position includes \$326 million at June 30, 2014, and \$360 million at June 30, 2013, in the Tobacco Indemnification and Community Revitalization Endowment, which is subject to certain restrictions on annual withdrawals by the *Code of Virginia*.

Consolidated Statement of Activities

	Fiscal Year 2014 (unaudited)	Fiscal Year 2013
Revenues:		
Interest, dividends, and other investment income	\$16,132,094	\$28,587,572
Other income	625,953	450,506
Unrealized gain on investments held by the Treasurer	2,977,024	-
Total revenues	19,735,071	29,038,078
Expenditures:		
Administration	1,960,550	2,781,265
Indemnification payments	-	59,606
Community revitalization	88,311,445	116,969,871
Unrealized loss on investments held by the Treasurer	-	23,458,070
Depreciation	131	785
Total expenditures	90,272,126	143,269,597
Change in net position	(\$70,537,055)	(\$114,231,519)
Net position, beginning of year	654,533,931	768,765,450
Net position, end of year	\$583,996,876	\$654,533,931

Investment
1,800 Grants
\$1 Billion Awarded

Results to Date

15,000	new jobs committed by private employers since 2007
\$3 B	new capital investment committed by private employers since 2007
3,000	miles of broadband fiber built
80	industrial parks and mega-sites constructed & expanded
15,000	residents received financial aid at local community colleges
12,500	residents awarded GED credentials
8,000	students received scholarships for 4 year degrees
\$309 M	made available to farmers for indemnification
47,000	approved indemnification claims



Virginia Tobacco Indemnification and Community Revitalization Commission

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