

**TOBACCO REGION REVITALIZATION COMMISSION**

701 East Franklin Street, Suite 501  
Richmond, Virginia 23219

**EDUCATION COMMITTEE**

All-Virtual Meeting  
Wednesday, December 14, 2022  
10:00 A.M.

**APPEARANCES:**

The Honorable Kathy Byron, Chair  
The Honorable Louise Lucas, Vice-Chair  
The Honorable Frank Ruff  
The Honorable Will Wampler  
Ms. Gretchen Clark  
Ms. Amanda Cox  
Mr. Joel Cunningham, Jr.  
Ms. Sandy Ratliff  
Mr. Gary Walker

**COMMISSION STAFF:**

Mr. Andy Sorrell, Acting Executing Director  
Ms. Stephanie Kim, HR & Finance Director  
Ms. Vicki Humphreys, Grants Program Director  
Ms. Sarah Capps, Southern Va Regional Director  
Ms. Emily VanPelt, Southern Grants Assistant  
Ms. Sara Williams, Southwest Va Regional Director  
Ms. Adrian Counts, Southwest Grants Assistant  
Mr. Jordan Butler, Public Relations Director  
Ms. Joyce Knight, Meeting Planner

**COUNSEL FOR THE COMMISSION:**

Ms. Elizabeth B. Myers, Assistant Attorney General

**NOTE:** this meeting was an all-virtual electronic meeting held via WebEx hosted in the Commission’s conference room in Richmond. In accordance with Virginia Code Sec. 2.2-3708.3 and the Commission’s Electronic Meeting Policies (the “Policies”) as adopted October 5, 2022, specifically Section C of the Policies, “Policy for All-Virtual Public Meeting,” Commission staff confirmed that the meeting met the authorization and authorization process requirements (C.3 and C.4) and met the all-virtual meeting requirements noted in the Policies (C.5 and C.6).

DELEGATE BYRON: I’m going to call the Commission meeting to order and ask Andy to read the electronic meeting preamble.

MR. SORRELL: Ok. This all-virtual meeting of the TRRC Education Committee has been called for at the request of the Commission Chairman Senator Frank Ruff and was authorized in accordance with the

Commission's adopted policy for all-virtual public meetings. Furthermore, the Commission notes the meeting has complied with the requirements of the Va. Freedom of Information Act.

If alerted to a transmission failure of this meeting, the committee shall recess until public access is restored. The public can notify the Commission of any issues by calling 804-894-9652. Public comment shall be permitted prior to and at the conclusion of committee business. Any written comment received by the start of the meeting shall be read into the record during public comment. The meeting will be recorded and all committee votes shall be roll call to ensure accuracy.

With that I will call roll, if that is ok with the Chair.

DELEGATE BYRON: Yes, please go ahead.

MR. SORRELL: Present: Chair Byron, Senator Lucas, Ms. Clark, Ms. Cox, Mr. Cunningham, Mr. Ratliff, Senator Ruff, Mr. Walker and Delegate Wampler. Absent: None. You have a quorum Madam Chair.

I will also note that approval of minutes from the last meeting (October 4, 2022) will need to be deferred until the next meeting as they are still being transcribed.

The next order of business would be the first public comment session that is held before committee business. No written public comments were received.

DELEGATE BYRON: Ok. Is there anyone online with us that would like to make public comment? Hearing none, the first public comment session was closed.

Moving along, the next order of business is a presentation. Will that be shared on the screen?

MR. SORRELL: Yes. There will also be a second public comment session after the conclusion of committee business. Please provide your name and organization you represent if you have comment at that time. Stephanie Kim will now provide an overview presentation of the Commission's student

loan forgiveness programs over the years concluding in the most recent program, the Talent Attraction Program.

MS. KIM: Provided a PowerPoint presentation that detailed the history of the Commission's 4-year financial aid program. NOTE: the 13 slide presentation can be found on the Commission website.

DELEGATE BYRON: noted concern with the number of over 400 loans in default (referencing slide 3) and stated this was an issue that should be discussed at a later time.

COMMISSIONER RATLIFF: (for the loan in collection) How were they (the loans) vetted?

MS. KIM: When the Commission had the student loan forgiveness program, we did not do any kind of credit check and did not look at the ability to pay – applicants applied and if they were from southwest or southside Virginia they received a loan. A number of these (defaulted loans, were people) that did not finish school and had to begin loan repayments. Some did graduate and could not find a job and the loan was not forgiven. There are a lot of different scenarios, but these are people who could not repay their loans.

MR. SORRELL: I'll note that is probably one of the reasons why the Commission no longer provides a similar type of student loan forgiveness type of program.

MR. CUNNINGHAM: Who stipulates the terms (for the loan forgiveness program)?

MS. KIM: For the loan forgiveness program, the Commission set the guidelines and terms and the Southwest Virginia Higher Education Center administrators the program – issuing the promissory notes and etc.

MS. KIM: Continued with the presentation by reviewing the Va. Dept. of Health Student Loan Repayment Program which the Commission has supported and then the Commission's Talent Attraction Program (TAP). TAP is managed by Commission and for non-healthcare related occupations.

DELEGATE BYRON: Two questions: What is the maximum award for the two year commitment? Are they getting money on the front end or after a certain time period? How does that work? Secondly, how many are actually established with residency outside the tobacco region prior to coming here?

MS. KIM: Notes that after the first 12 months, applicant submit documentation for residency and volunteer hours and we would pay out \$12,000 or half of their award (some receive less). Then after 24 months they would receive the other half and after that first two-year period they can apply for renewable for an additional two years and the process would work the same way.

Regarding the question for those coming from outside the region, the only thing we can tell is what they put on their application for an address. Sometimes with college students they could put their college address or they may put their permanent home address so we can't really tell if they are from the area. We do ask the question if they have ever lived in the tobacco region and we ask what years they lived there. It is hard to define if a person is from the area – does that mean they have lived there for all their lives or just a certain period?

DELEGATE BYRON: I always thought a talent attraction (program) was the concept to attract people that don't live in the tobacco region because we had a lot of other incentives or people that actually live there and stay there based on these jobs being available to them. Couldn't the applicant requires what their previous address was? I think that is information we should be tracking.

MS. KIM: Delegate Wright (a former commissioner) had wanted priority be given to those who were from the region. Staff could change that to be for attracting those from outside of the region coming in.

DELEGATE BYRON: I am not questioning a priority just the program we currently have in place. I would actually prefer a different type of program that was a scholarship or different incentive. I thought the purpose of a talent attraction program was to bring in people from other areas and trying to attract qualified people which was also why we required volunteer service and become established in the area and get to know the region.

MS. KIM: We are doing recent graduates with the idea that once someone goes away to college they could go anywhere. The thought is that once they go away to college, even if they grew up in the tobacco region, we still need to provide incentives to bring them back. By targeting recent graduates, we are trying to get them back home to live and work. We did have a number of applicant that never lived in the region because we ask that on the application.

SENATOR RUFF: I'll note that Delegate Wright though that is was unethical to provide an incentive for people outside the region while we would refuse to give the same benefit to the people who have grown up and lived here.

DELEGATE BYRON: Right. And I certainly support the children of the tobacco region and tobacco farmers, but I think it was just the way that the program was designed that I had a hard time thinking that some of our school teachers that were from our region would go to somewhere else to teach school.

MS. KIM: I think there are a couple of things we can do to tweak that a little bit in the scoring rubric. I think there are those that have lived and worked in the areas for 10-15 years and go get their master's degree and then apply to our program. I personally don't feel like that is an incentive and we are not attracting talent when they have already been living and working in that area for a number of years. I do feel like the program should be tweaked so that people should be eligible for their primary degree needed for their occupation whether it be a bachelor's master or PhD.

MS. KIM: Continued with the presentation reviewing 2022 TAP award statistics and the outcomes of prior years of the program from 2019 -2021. Outcomes for those years continue to come it and remain incomplete. 2019 is the most complete data we have – showing 79% of those awarded completed the 2-year commitment to the program and of those 73 people, 48 or 66% renewed for an additional two years.

We did follow up with a number of applicants who did not renew their applications as to the reasoning for not renewing, and several said they had paid off their loans and did not need to repay an more loan debt and a number of folks left the teaching profession and were no longer in eligible occupations for the program.

MS. KIM: Staff's recommends the following changes be considered for the 2023 TAP program to: adding special ed teachers (K-12) with renewable licenses; removing CTE and technology teachers (who do not require a 4-year degree; change the graduation requirement to 2023 (for future graduates); prioritize attracting talent from outside the tobacco region and to cap awards of the VDH SLRP program as \$50,000 per applicant.

DELEGATE BYRON: So there are some applicants here from 2021 that have until 2024 to complete their 2 year commitment or to complete what? And how does that change with the recommendation from Senator Ruff to change the requirements to 2023?

MS. KIM: So for 2021 we had a 2 year range of when you could be graduate to be eligible. So they had six months to obtain a job and then work for two years to complete the 24 months so it could be as late as June 2024. A lot will be done sooner because they will already have jobs or depending on when their graduation dates are.

MR. SORRELL: Was that specifically addressing some of the concerns of the pandemic and needing more flexibility?

MS. KIM: It was around the 2019 applicant round when we had some delayed graduations and people could not do their clinicals in person - so we were very generous in allowing extra time. Senator Ruff had recommend for this year we just consider looking forward for the program and just look at 2023 graduates. Which would mean they would have until June 2024 to secure a full time job and it would be 2026 when they would fulfill the 24 month commitment.

DELEGATE BYRON: Are any of the prior TAP awards in a situation where money has been given out and they owe money back for not doing something?

MS. KIM: From the 2019 period, there are two people who fulfilled the first year and received their first two-year payment, but we did not receive their second year documentation, and we have never heard from them after repeatedly contacting them, so they have been put into in the state debt setoff system which notes they have moved out of state. Based on our agreement with them, the applicant needed to pay back any amount they received if they did not remain eligible for a full two years.

MS. KIM: Staff recommends for the 2023 TAP awards \$1,500,000 be provided for the 2023 TAP awards and renewals and that \$500,000 be provided for renewals of prior years (assuming a 2019 renewal rate) and that no additional funding for the VDH SLRP be provided (since prior years' balances remain).

MR. SORRELL: The money that you see listed here has already been budgeted in the Commission's budget that was adopted last May. The typical application process for TAP is that that committee approves application period to open (which would be early 2023). When the committee indicated their desire to pause the TAP program at their fall 2022 meeting, staff wanted to ensure the committee had all the info needed on where we have been and where we are now and then address some of the committee's concerns brought up at the fall 2022 meeting which included making sure there as a cap on the individual award amounts for the VDH SLRP awards and no additional new funding for that program since we would be utilizing an existing balance, and in the policy document we would utilize a scoring rubric for the non-healthcare portion that would help staff rank applicants according to the committee desired criteria.

At this point, what staff is looking for from the committee is feedback on what your thoughts are and if you feel like some of these policy bounding boxes get the committee comfortable in considering opening a TAP application round for early spring 2023. For a future round the following year (2024) we would like to have a program that is completely tailored to the committee's for this program moving forward.

MS. KIM: And I will note a slide that shows a number of personal responses applicants have provided to staff regarding their TAP applications.

MR. SORRELL: Also, Commission staff has a listing of all applicants who have received funding from the program if any committee member would like to see who has received funds from your area.

DELEGTAE BYRON: I am still thinking it is a good idea to temporarily put a hold on the January rounds. We have applicants now that will be bringing back information on renewals through 2026. This program already goes out quite a ways and I believe that we should have funding for renewals because people signed up for a program we were offering that had



renewals attached to it, and that may be the reason people signing up for the program all along. You also noted that no additional funding for the VDH programs as is already has a prior balance and I also question some of the hospitals that are receiving funding and why they are not providing the same funding themselves and that would enable the Commission to use that funding for other programs we may have. The big thing is that people are not aware of is that both Senator Ruff and I know that there is going to be some opportunities for workforce reform this year, and I am very hopeful that we may have some information coming back that is going to be able to be able to keep track of the workforce in a more aligned way in the whole state. Right now we are using other people when our workforce board and other programs in the state are using demand jobs and information from our region as well – it concerns me that we are duplicating information that is out there and we just need to take a step back and gently review all of the information that we have and what we have going forward. I don't think it would hurt the program for us to do that and just ensure everything is going the way intended and if not, then incorporating some other ideas based on feedback from the applicants and other members. I am open to hearing what other members may think about the program.

SENATOR RUFF: I would ask staff, are the third and fourth years that important to move forward or could we scale back the third and fourth years and how much would that reduce the funding amount.

MS. KIM: The idea of the third and fourth years is to get them committed to the region. After four years you are more like to stay in the region than if you have just been there two years. We could scale back the renewals and just not renew everybody that applies that is eligible. We could make it more competitive as well – such as a competitive renewal where we only select the best renewal applicant.

SENATOR RUFF: The reason that I ask is that I can see some problems if we pause it and start it again and some of our economic developers are using this as a tool to sell the region. Some manufacturers see this as a way to incentive people to come to this area.

DELEGATE BYRON: So you are talking about people from outside the area - right?

SENATOR RUFF: In those cases probably yes. Any time you have a tool you can use for economic development it is good.

COMMISSIONER RATLIFF: Is there a formula developed to understand when the Tobacco Commission gets a return on investment in these loans and grants? Also what is the next day after receiving the grant I decide to move away? Is there any way to claw back or make applicants repay the Commission? This seems too easy to walk away from without repercussions.

MS. KIM: We don't give them money until they have fulfilled 12 months of living, working and volunteering. After the other 12 months they would get the other half. So if there is anything to collect, such as if they don't fulfill the two year requirement, it would just be that first years payment that we would try to collect back from them.

COMMISSIONER COX: I agree with Commissioner Ratliff. If we committed to the folks with renewals, if it is the decision to decide to step back and figure out how we streamline the process better, are there some guardrails that we can put in place so that Commission funds are being expended and then taken out of the region. Is there a way we can figure out how to keep those dollars in the region?

MS. KIM: It is hard to compare those earlier loans numbers to the Talent Attraction Program. In those earlier programs we were paying funds up front and applicants were getting money for their tuition and fees vs. TAP where they have to fulfill their residency, work and volunteer hours before they get any funds. When you are issuing loans, you usually do underwriting and check credit – things we did not do in the earlier loan program.

DELEGATE BYRON: What is included in their loan balance? Is it after they have taken any scholarship funding or any housing in it?

MS. KIM: It was about \$4,000 and the payments went directly to the schools.

DELEGATE BYRON: Actually I am talking about the TAP program not the earlier one.

MS. KIM: This payment is made directly to the applicant. So it is an incentive payment that is taxable.

DELEGATE BYRON: I'm asking how you verify the loan balance.

MS. KIM: When they submit an application they submit a loan statement that shows their principle balance. This is an incentive payment that is taxable – this is almost like a reimbursement payment for their loan payments.

MR. SORRELL: This is truly an incentive payment. While the eligibility requirements are that you have a loan balance the rules do not say you must use the funds towards that balance. That is just the way to get in the door to be eligible.

DELEGATE BYRON: So you are just paying them to work is what you are saying.

MR. SORRELL: To live, work and give back to their community, correct.

MS. KIM: Other states have done tax credits, housing subsidies, and other various incentives. A state tax credit would be great, but would require legislation. TAP awards are direct payments that are taxable. The VDH SLRP funds are not taxable because there is a special provision for the medical profession working for health care profession shortage area (HIPSAAs).

DELEGATE BYRON: Anyone else?

MS. KIM: I will note that we will lose momentum with this program if we pause a year, scaling back may be the better idea versus pausing.

MR. SORRELL: Scaling back could be done in several different ways. Such a cutting back the renewals, just focus on the TAP portion and not the VDH portion, or the program could be paused. Staff needs direction on if the committee desires to continue the current program with the discussed guardrails or if it should be paused entirely.

COMMISSIONER WALKER: I agree with Chair Byron and Commissioner Cox. Seems like there are lot of things that need to be tuned up before we

put a whole lot more money out if we are not sure if we are going to have an effective program.

COMMISSIONER CLARK: I agree with Commissioner Walker. We need to remember this is the Education Committee – not the incentive to come back to the footprint committee. I think those payments should be going to the education institutions in the footprint. It bothers me that this is more of an individual incentive. I am okay with a pause of scale-back.

DELEGATE BYRON: I know there is a lot of programs or things that are possibly coming out in the upcoming legislative session that deal with teachers – which is another reason we should make sure we are not doubling our efforts and using money we don't need to. I don't think it hurts anything with the program to stop and take a deeper look at everything and wait for some of this information to come out. Do you need a motion for that?

MR. SORRELL: Yes. A motion that either pauses the program or come back in 2024 (i.e. no new 2023 TAP application round) or to scale-back as we have already discussed. Pausing the program should also include funding of existing renewals we have already committed to, but no funding for a new 2023 round. We would also need some direction from the Committee on what their specific rationalize is for pausing the program when we prepare responses for the public.

DELEGATE BYRON: The other thing about the VDH SLRP do we need to do anything?

MS. KIM: that funding has previously been approved, the only thing would be in you want to put stipulations on capping it.

DELEGATE BYRON: I had concern about why we were funding positions that hospital foundations can fund.

MS. KIM: We can exclude certain types of organizations from eligibility.

DELEGATE BYRON: I would either restrict or put a very large priority on facilities in the tobacco region that are an independent or small established clinic or office.

MR. SORRELL: You could base it on the number of employees of a facility.

COMMISSIONER COX: Regarding Senator Ruff's comments about economic development, if a pause is what happens, can staff and the committee work together to look at some of those targeted industries that are looking at our region – is there a way to tie that in and keep that aspect alive?

MR. SORRELL: If we pause the TAP program we won't have a framework for the program to utilize, we would need to bring the committee together for any action that we may want to do for a customized TAP-like incentive.

SENATOR LUCAS: It sounds like the pause scenario is our best option at this point.

DELEGATE BYRON: Would someone like to make a motion?

SENATOR LUCAS: I move that we pause the Commission managed TAP program, while allowing for \$500,000 funding for renewals.

COMMISSIONER WALKER: Second.

DELEGATE BYRON: Any further discussion? Hearing none, all in favor say Aye – hold on you need to take a (roll-call) vote.

MR. SORRELL: Delegate Byron - Aye, Senator Lucas – Aye, Commissioner Clark – Aye, Commissioner Cox – Aye, Commissioner Cunningham – Aye, Commissioner Ratliff – Aye, Commissioner Walker – Aye, Delegate Wampler – Nay and Senator Ruff – Nay. Motion carries to pause the TAP program.

MR. SORRELL: The next action should be what steps we should take on the VDH SLRP program funding – should we have any bounding boxes on this funding – such as a \$50,000 per individual award cap. Given the amounts of prior awards, a good place may be a \$40,000 per award cap.

SENATOR RUFF: I move that we individual awards at \$40,000.

COMMISSIONER RATLIFF: Second.

DELEGATE BYRON: Any further discussion from anyone? Hearing none, Andy please do a roll call vote?

MR. SORRELL: Delegate Byron - Aye, Senator Lucas – Aye, Commissioner Clark – Aye, Commissioner Cox – Aye, Commissioner Cunningham – Aye, Commissioner Ratliff – Aye, Senator Ruff – Aye, Delegate Wampler – Aye and Commissioner Walker – no response. Motion carries.

DELEGATE BYRON: Ok. Do we have any public comment? Hearing none. The public comment is closed.

Having on other business before the Committee the meeting is adjourned.

PROCEEDINGS CONCLUDED.