

FY2026 Proposed Budget

Executive Committee
May 8, 2025

History

Tobacco Region Revitalization
Commission creation

1998 Master Settlement
Agreement (MSA)

Tobacco Commission created in
1999 to indemnify tobacco
farmers & revitalize tobacco-
dependent communities

Virginia's allocations:

- 50% to TRRC
- 41.5% to Va Healthcare Fund
- 8.5% to Va Fdn for Healthy Youth

Securitization

2005 Tax-exempt and 2007 Taxable
Bonds issued

2005 TSFC issued tax-exempt bonds for half of TRRC's future MSA revenues

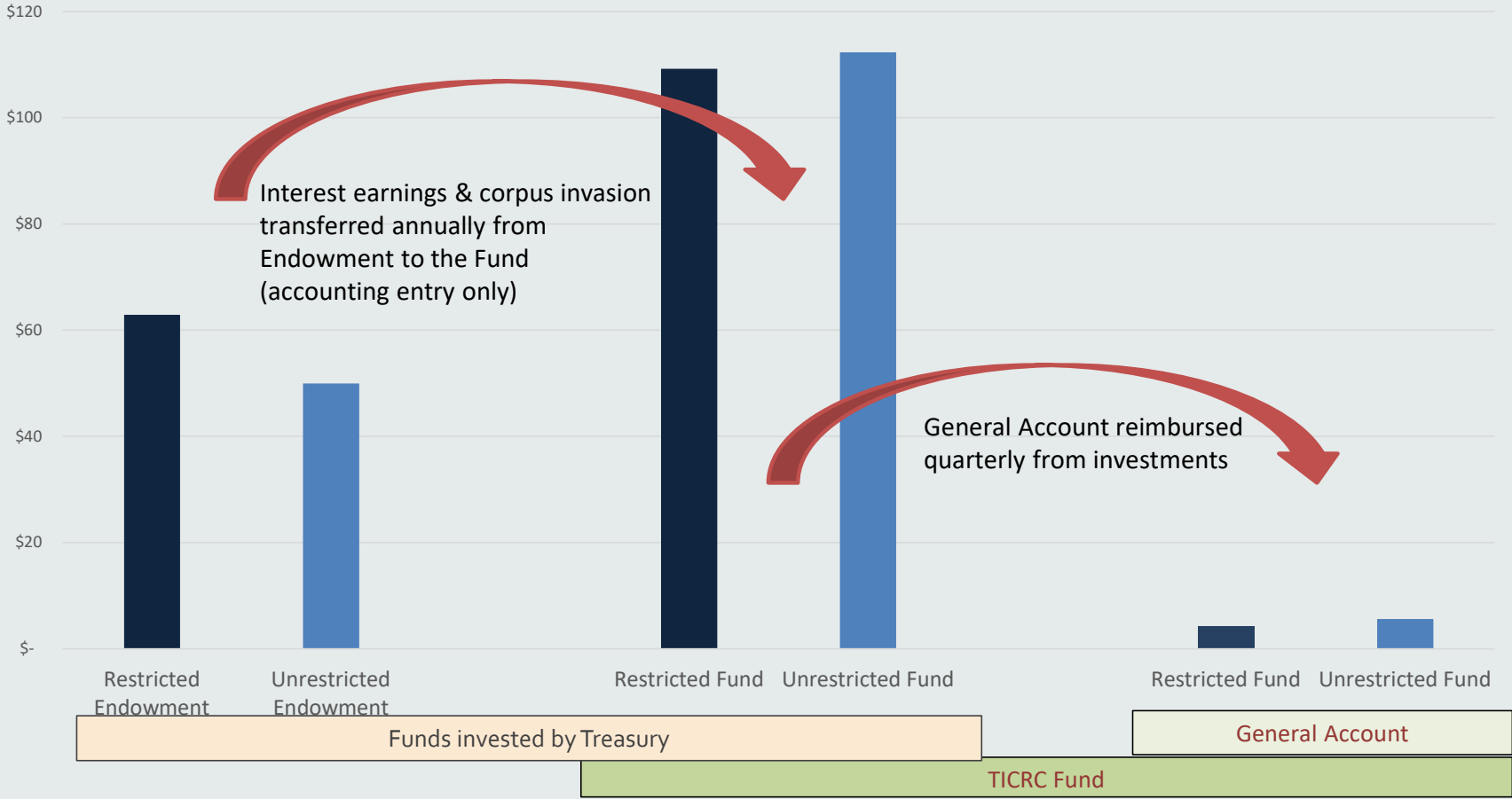
2007 TSFC issued taxable bonds for the remaining half and refinanced 2005 bonds

Securitization proceeds deposited in the TICR
Endowment created in 2002

Restricted vs Unrestricted Funds

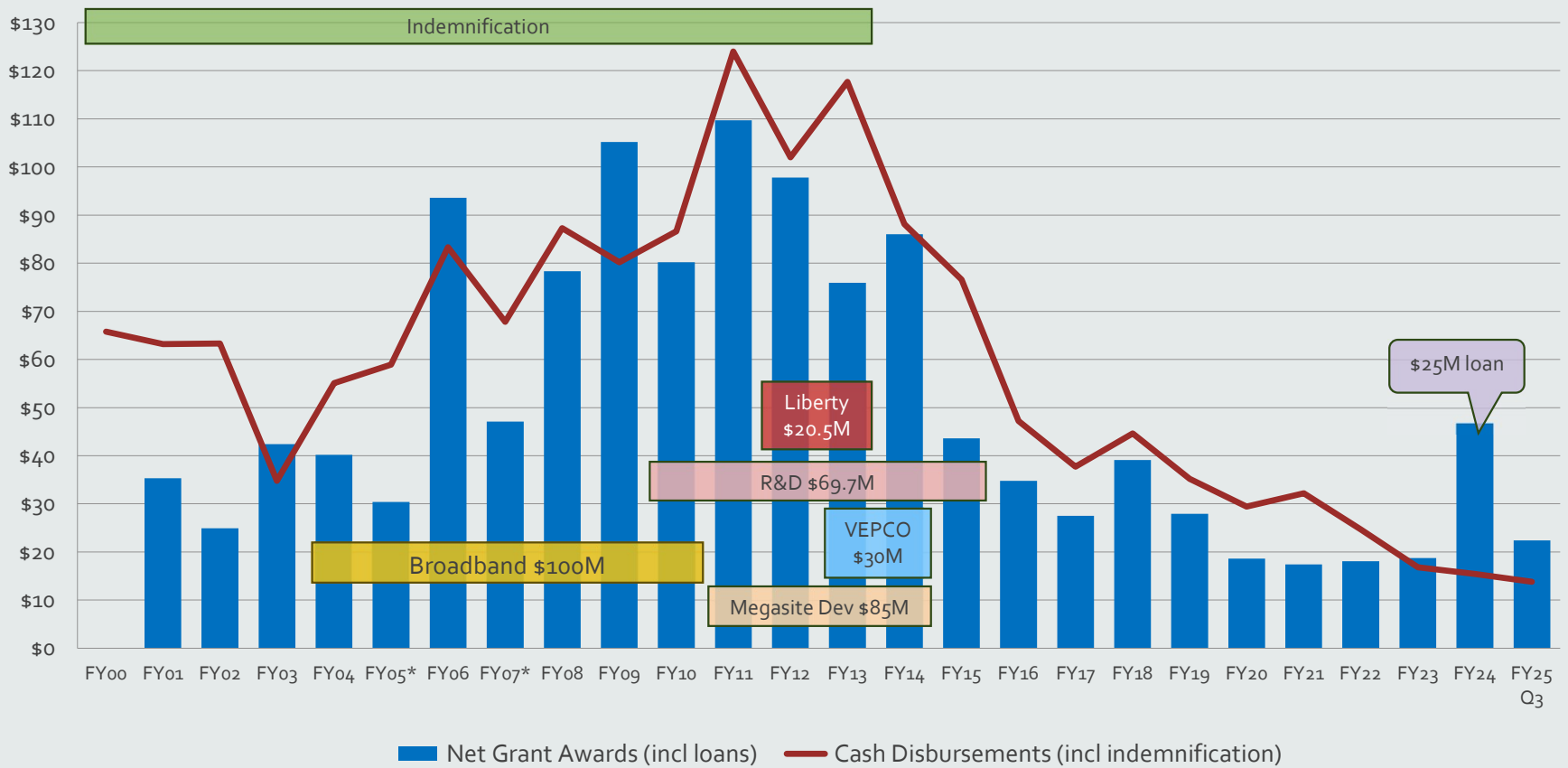
- Tax-exempt bond proceeds are generally RESTRICTED for capital expenditures of non-state entities; grants must be reviewed by bond counsel
- Taxable bond proceeds are UNRESTRICTED (loans, operating, non-capitalized grants, grants to state-related entities)
- Staff manages funding source for each grant/loan

Commission Funds



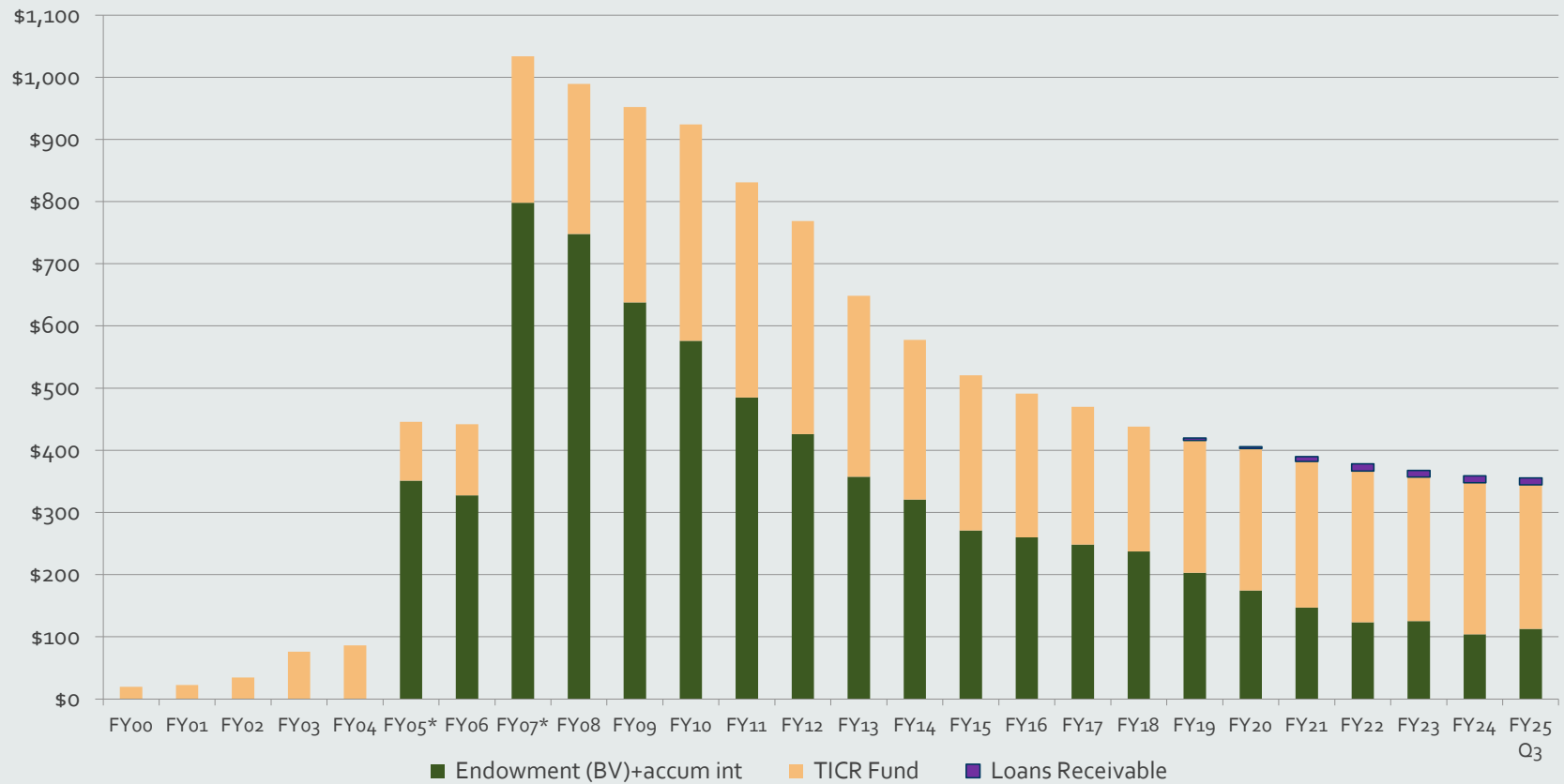
Net Grant Awards and Disbursements

FY2000-2025
(in \$ million)

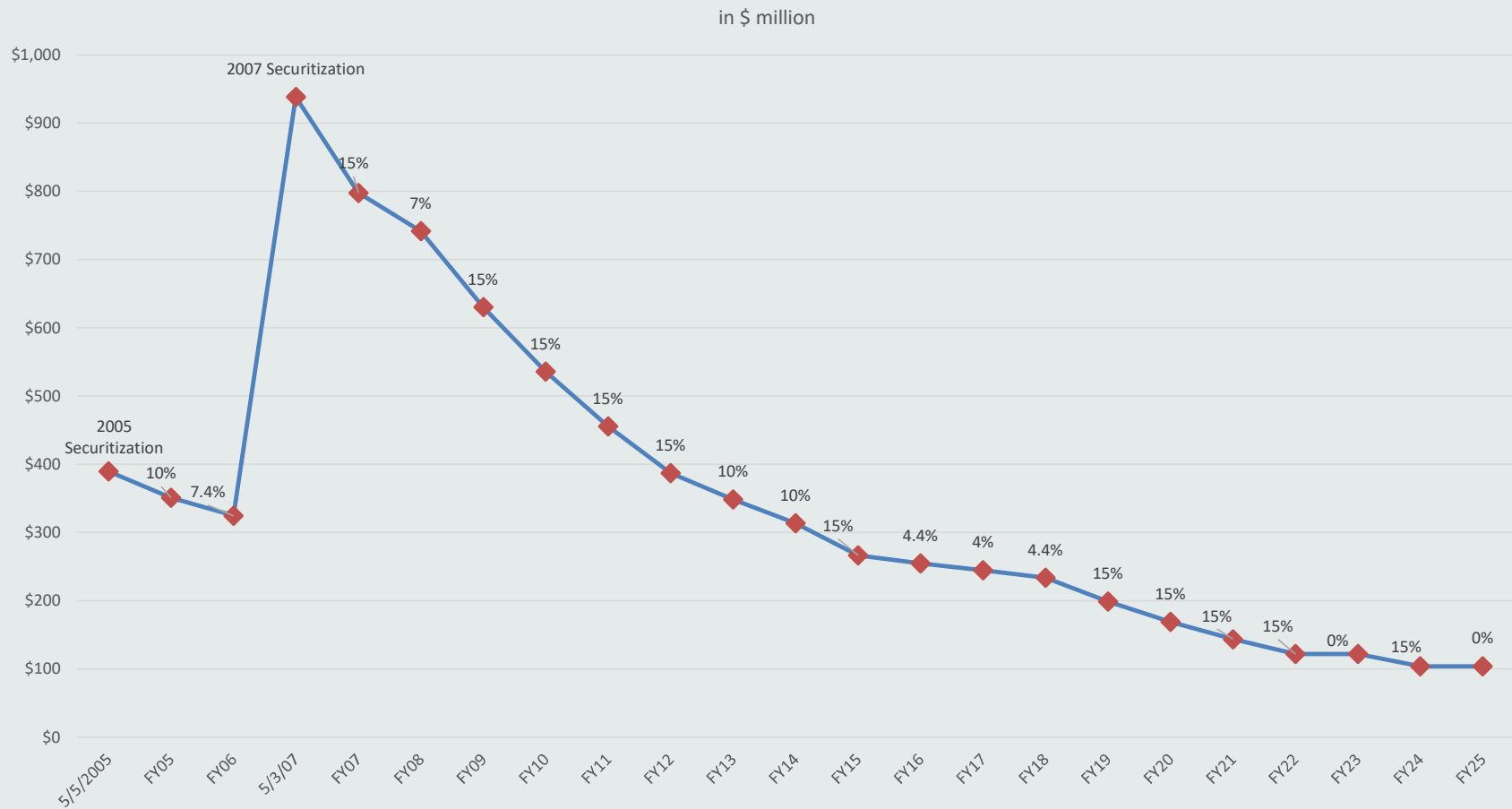


Total Assets at June 30

Endowment, Fund, Loans Receivable in \$ million

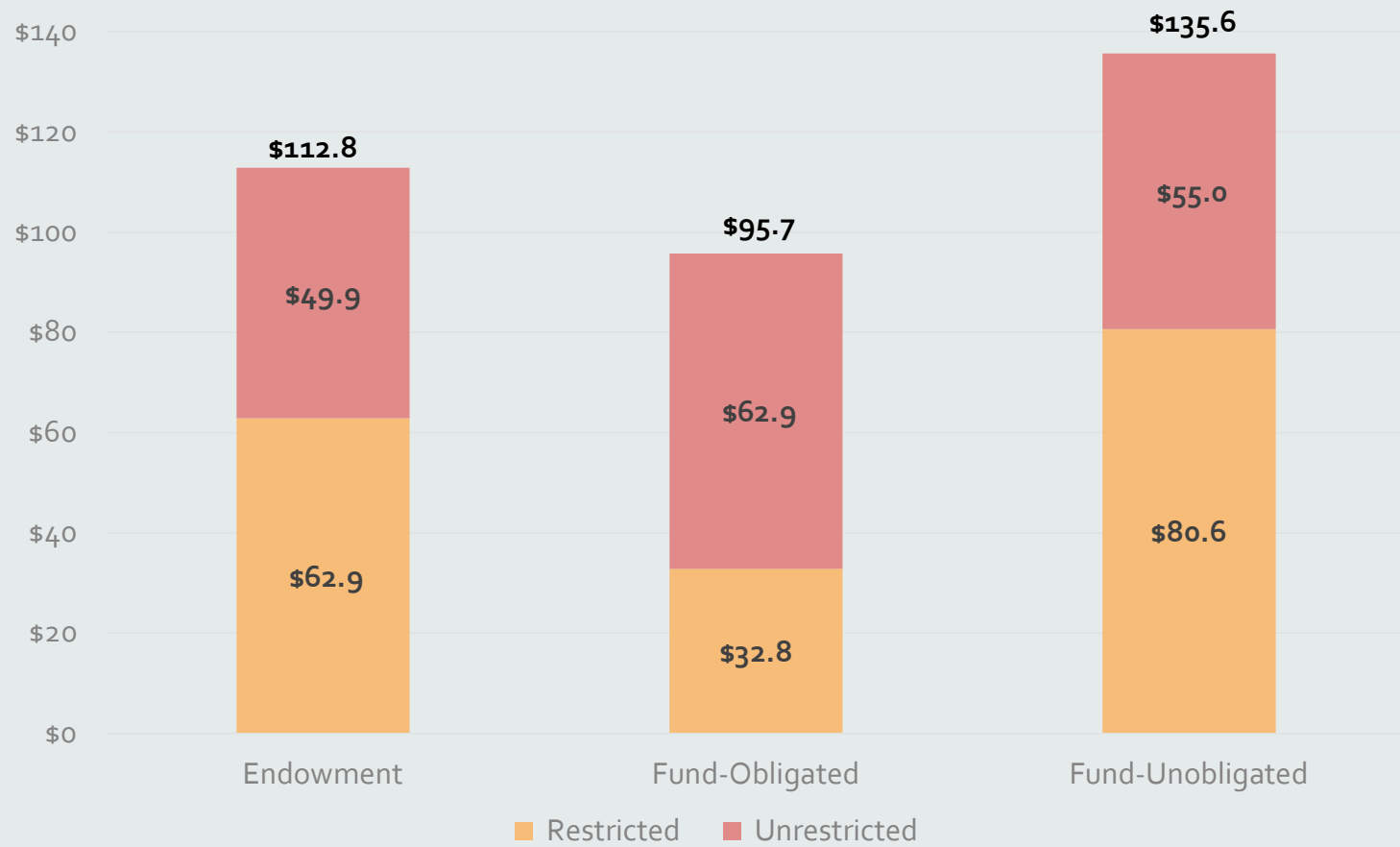


TICR Endowment Balance & Invasion



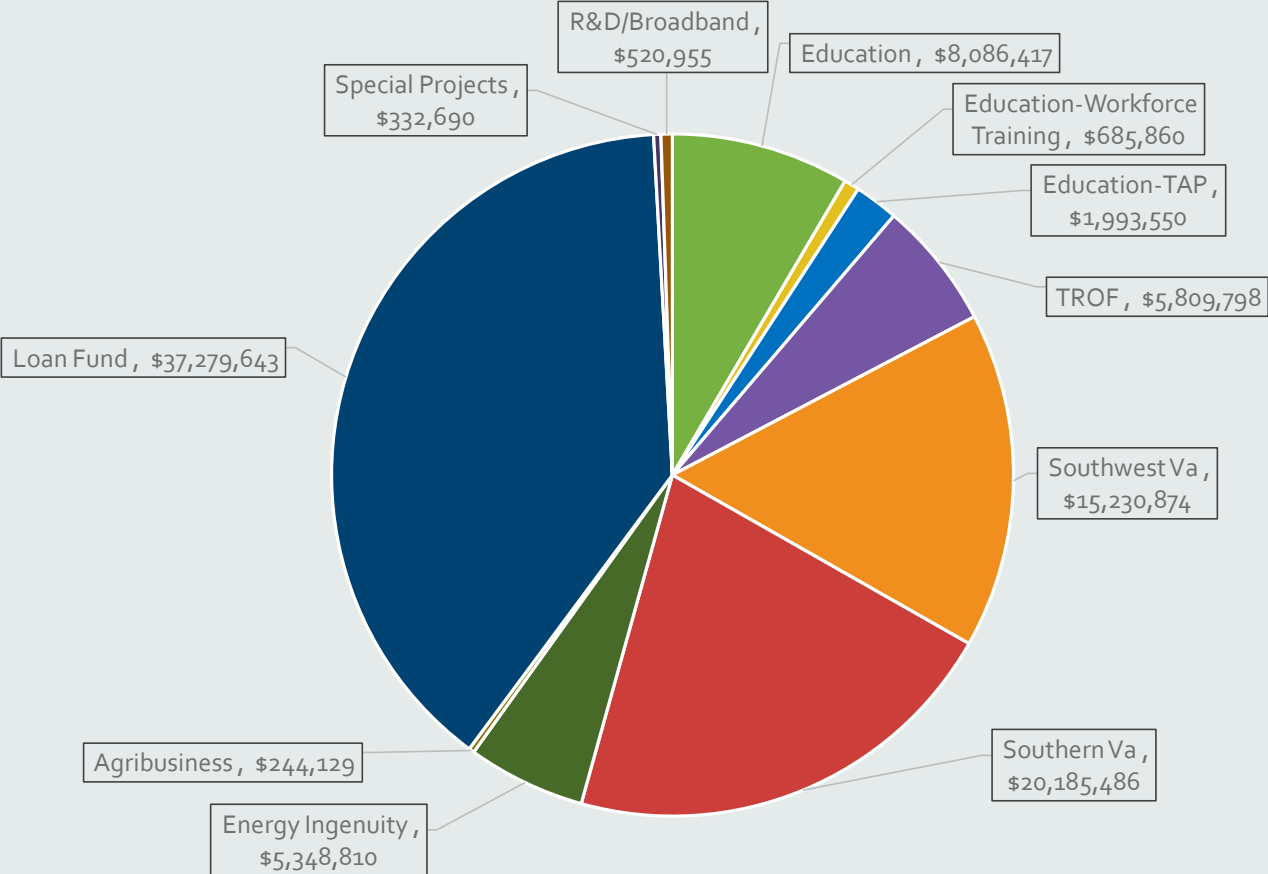
TICR Endowment & Fund

Cash Balances (BV) = \$344.2M
As of March 31, 2025



Unpaid Commitments

\$95.7 million
as of March 31, 2025



Proposed FY26 Budget

- Sources of Funds
 - \$8.3 million from investment earnings
 - \$8.2 million from TROF unobligated balance
 - \$2.0 million from Education TAP unobligated balance
 - \$15.4 million in carryforward
 - NO corpus invasion
- Uses of Funds
 - \$8 million for regional economic development
 - \$7 million for Energy Ingenuity Fund
 - \$1 million for Agribusiness
 - \$3 million for Housing
 - \$10 million for Rural Investment Accelerator Fund

Administration

\$2.9 million for administrative costs

- Overall 1.4% increase over FY2025
- Funding 14 salaried employees (including statewide 3% increase) + 2 part-time employees until January
- Contractual services – includes meeting costs (food, travel), bond counsel, IT services (new contract to include IT security audits)
- Transfer payments - MSA Enforcement, central agency service charges
- Office rent and insurance for Richmond and two field offices
- Agency service charges include costs for VDACS (fiscal agent), OAG, loan forgiveness administration by SWVHEC (winding down), meeting room/equipment rental

FY2026 Proposed Budget – Grant Programs

Program Area	3/31/25 Unobligated Carryforward	FY2026 Proposed Budget	Total Available in FY2026
TROF	\$ 23.0	\$ - 8.2	\$ 14.8
Education			
Competitive	* 3.1	2.0	5.1
Talent Attraction Programs	4.2	- 2.0	2.2
Workforce Financial Aid	* 6.8	-	6.8
Southern Va Econ Dev	*30.5	4.0	34.5
Southwest Va Econ Dev	* 3.7	4.0	7.7
Megasite Prospect Incentive	15.2	-	15.2
Energy Ingenuity	* 6.7	7.0	13.7
Lending Program	22.0	-	22.0
Agribusiness	2.0	1.0	3.0
Economic Dev Housing Pilot	2.0	3.0	5.0
Rural Investment Accelerator	-	10.0	10.0

*Funding awards anticipated in May 2025

Motions

- Authorize the Executive Director to enter into a 5-year contract for agency IT Services not to exceed \$35,000 per year.
- Adopt the FY2026 Budget with zero corpus invasion