

1 **VIRGINIA TOBACCO INDEMNIFICATION AND COMMUNITY**  
2 **REVITALIZATION COMMISSION**

3 701 East Franklin Street, Suite 501  
4 Richmond, Virginia 23219  
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9 Special Projects Committee Meeting  
10 Thursday, May 24, 2012  
11 8:00 a.m.  
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13 The Institute for Advanced Learning (IALR)  
14 Danville, Virginia  
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1    **APPEARANCES**

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3    The Honorable Daniel W. Marshall, III, Chairman

4    Ms. Connie Greene Nyholm, Vice-Chairman

5    Mr. Kenny F. Barnard

6    The Honorable Kathy J. Byron

7    Mr. John R. Cannon

8    The Honorable Charles W. Carrico, Sr.

9    The Honorable Mary Rae Carter

10    Deputy Secretary of Commerce & Trade

11   The Honorable Terry G. Kilgore

12   Ms. Sandra F. Moss

13   Dr. David Redwine, DVM

14   The Honorable Ralph Smith

15   Mr. Robert Spiers

16   Mr. Gary D. Walker

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18   **COMMISSION STAFF**

19   Mr. Neal Noyes, Executive Director

20   Mr. Ned Stephenson, Deputy Executive Director

21   Mr. Timothy J. Pfohl, Grants Program Director

22   Ms. Stephanie S. Kim, Director of Finance

23   Ms. Sara G. Williams, Grants Coordinator, Southwest Virginia

24   Ms. Sarah K. Capps, Grants Coordinator, Southside Virginia

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1 May 24, 2012

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3 DELEGATE MARSHALL: Good morning ladies  
4 and gentlemen. I'll call the meeting of this Special Projects  
5 Committee to order. We'll ask Mr. Noyes to call the roll.

6 MR. NOYES: Mr. Bernard?

7 MR. BERNARD: Here.

8 MR. NOYES: Delegate Byron?

9 DELEGATE BYRON: Here.

10 MR. NOYES: Mr. Cannon?

11 MR. CANNON: Here.

12 MR. NOYES: Senator Carrico?

13 SENATOR CARRICO: Here.

14 MR. NOYES: Mary Rae Carter?

15 MS. CARTER: Here.

16 MR. NOYES: Delegate Marshall?

17 DELEGATE MARSHALL: Here.

18 MR. NOYES: Ms. Moss?

19 MS. MOSS: Here.

20 MR. NOYES: Ms. Nyholm?

21 MS. NYHOLM: Here.

22 MR. NOYES: Mr. O'Quinn is not with us today.

23 Dr. Redwine?

24 DR. REDWINE: Here.

25 MR. NOYES: Senator Smith?

1 SENATOR SMITH: Here.

2 MR. NOYES: Mr. Spiers?

3 MR. SPIERS: Here.

4 MR. NOYES: Mr. Walker?

5 MR. WALKER: Here.

6 MR. NOYES: You have a quorum Mr.  
7 Chairman.

8 DELEGATE MARSHALL: Senator Smith  
9 welcome.

10 SENATOR SMITH: Thank you.

11 DELEGATE MARSHALL: Do we have approval  
12 of the minutes? We have a motion and a second. All those in  
13 favor say aye. (Ayes). Opposed. (No response). All right,  
14 Neal, let's go to the VCU grant revision 2083.

15 MR. NOYES: Members of the Committee, I had  
16 an opportunity to meet with representatives from the Massey  
17 Cancer Center several weeks ago, a couple of months ago.  
18 While legislation was pending, legislation that would allow  
19 Commission funds to be used, spent outside the footprint at  
20 either Massey or UVA Cancer Center for that designated  
21 cancer center. At that meeting and having talked with the  
22 chair I invited them to submit an application for this  
23 Committee's consideration to get repurpose funds from  
24 previous grants. This may be that venue where there access  
25 to healthcare. They have done so. You were provided with a

1 copy of the revised application. The major difference in this  
2 instance is the timeline. The quarterly milestone report  
3 describes where funding will proceed quarter to quarter to  
4 quarter. That's one milestone. This will be helpful to the staff  
5 as we consider requests for disbursement. In terms of the  
6 repurposing request itself and after my review, I did not see  
7 substantive changes that would detract in anyway from  
8 previous grants potential to impact businesses of southern  
9 Virginia. Accordingly, I have no problem with the request and  
10 I recommend your approval. I want to invite representatives  
11 from Massey to speak if they wish.

12 DR. HOULIHAN: I'm Robert Houlihan and I'll  
13 be happy to take any questions from the Commission.

14 DELEGATE MARSHALL: Would you give us  
15 briefly what you plan on doing and how you're going to do it?

16 DR. HOULIHAN: The original proposal was  
17 five projects; two have been completed, one year projects. Two  
18 of the projects still have a balance on the books. What we've  
19 done is repurpose that funding to better serve existing projects  
20 and maximizes the impact on the residents in Southside and  
21 Southwest. That gives us an opportunity to better align the,  
22 attach those categories the Commission indicated in the  
23 current application. We've also had an opportunity to better  
24 align those categories that the commission indicated in the  
25 current round of applications. You'll notice as well as Mr.

1 Noyes pointed out, we utilized Massey resources and a  
2 significant amount of activity would go on down in the  
3 footprint area. We spent anywhere from 20 to 30 hours a  
4 week managing the projects in various towns and in the  
5 Southside and Southwest areas. We repurpose this to include  
6 on the Tobacco Commission side of the ledger. Of importance  
7 to note though is that listening to the legislation and the intent  
8 of the legislation when funds are brought down, you'll notice  
9 that not one dime of the Richmond based activities are being  
10 requested from funding from Tobacco funds. The Cancer  
11 Center also will continue to match one for one dollar amount  
12 in this application and that's based upon the dollar amounts  
13 in this application are based upon a progress report and the  
14 balance we anticipated at the end of the current year ended  
15 April 28<sup>th</sup>. An additional aspect of this proposal requests one  
16 additional year now at no cost to the Commission, we can  
17 ensure each of the projects are complete with what has been  
18 proposed.

19 DELEGATE BYRON: While I'm pleased with  
20 what you've accomplished, what was needed in the first grant,  
21 we are reallocating funds for. Is that correct? This is  
22 apparently money that we are realigning for other things from  
23 your grant?

24 DR. HOULIHAN: Yes.

25 DELEGATE BRYON: Would you briefly tell us

1 what was done with that money and also would you talk about  
2 the new direction you're going in, whatever the aspect of the  
3 grant is for?

4 DR. HOULIHAN: Originally we had five  
5 projects and this was based upon the original, the first grant  
6 award was for the cancer center in 2008 and there were  
7 expansions as well as new projects that we included in as a  
8 result of what we learned from the first grant. One of the  
9 projects which was the development of the DVD to work with  
10 employers and employees communication skills upon receiving  
11 a notice of cancer. This actually was an element or program  
12 project applications from the National Institutes of Health.  
13 That's a multi-year \$12 million application. We've also  
14 separated it out and investigators on that have applied for  
15 their own funding based upon the results of that project and  
16 ongoing research we're actually working on.

17 The next project was what we called media  
18 insertion which was at one time it was an 800 number and it  
19 was expanded out from the original grant to the counties and  
20 areas in order to get or better determine the level of impact.  
21 That was based upon the number of calls to the 800 number.  
22 For pregnant women, primarily minorities or some patients  
23 during pregnancy. Three projects that are ongoing. The first  
24 grant awarded in 2008 actually was and that involved two  
25 counties. This grant itself is expanded to six counties and

1 we're adding a seventh. We'll have 7 counties that will get  
2 assistance and this also was expanded to individual localities.  
3 They've increased the number of programs and they've added  
4 staff. They're becoming an integral part of educating the  
5 residence, not just on cancer, but on healthcare itself. We  
6 discovered some people have been the first grant when they  
7 come in, they're able to have a clinical research program.  
8 Many people need an opportunity and don't understand the  
9 factors that impact cancer and the diagnosis of such things as  
10 diabetes education and obesity. We've actually expanded as a  
11 health advocate, information on these programs which is all  
12 elements of healthcare trying to improve the physical, the  
13 mental and also the spiritual. We hope to have an impact on  
14 the whole person, not on just one particular element.

15 We also have some new projects in looking at  
16 health needs and a need assessment for four different health  
17 districts and the majority of them are in Southside. We have  
18 one in Southwest. The research that's been done, the results  
19 are excellent and later today the project leaders can give you a  
20 short presentation of each of the projects. They can explain in  
21 greater detail the results they have obtained. As a result of  
22 this, we're launching two other projects, many projects in  
23 community needs assessment project. This is project life,  
24 community engagement projects. Researchers who are  
25 experienced in the communities and researchers. That means

1 going out and working with the members in order to have  
2 them become a part of and actually read the research  
3 programs, the direction of it. It's important to people that we  
4 hope to help get involved and engaged.

5                   Finally there is what we call a day med study  
6 which is an epidemiological study. It hopes to have 250  
7 participants that are diagnosed with particular cancers and a  
8 variety of locations. That was one of the difficulties we  
9 experienced initially was because of its aims and its goals were  
10 to reach out to various hospital organizations. We actually  
11 had to go through a series of individualized approval  
12 processes. That delayed the launch of the program and when  
13 you do this individually it takes time in order to get the  
14 institutional review board approval so that's one of the areas  
15 where we encountered delays.

16                   DELEGATE BYRON: In reference to Campbell  
17 County, part of the system you're looking at there, that's  
18 included on the Southside –

19                   DR. HOULIHAN: Actually Ms. Cole will  
20 address that later on. I'm not the expert on that project. I  
21 oversee the research globally for the center administratively  
22 but I know Ms. Cole has reached out and I believe we've made  
23 some significant progress in addressing those concerns that  
24 you have.

25                   DELEGATE BYRON: Mr. Chairman, I'd like to,

1 I just want to make clear they can always refuse. Are there  
2 any comments about it?

3 DR. HOULIHAN: I do know she reaching out  
4 from what I understand.

5 DELEGATE BYRON: Are we just talking about  
6 the ones that have been accepted –

7 MR. NOYES: The initial application identifies  
8 only two counties recommended for the project.

9 DR. HOULIHAN: Pittsylvania and Danville.  
10 That's the first expansion. Campbell County is always  
11 considered as part of the project. If you go back to the original  
12 application, it's listed and I'm not sure really what transpired  
13 but I do know that's something that we have addressed.

14 MR. WALKER: There were only two originally  
15 and 8 and 9 in the other counties, somehow or other they  
16 didn't expand it from the original two.

17 MR. NOYES: There were two awards, separate  
18 awards.

19 DR. HOULIHAN: There was an award in 2008  
20 that had only two library systems. This grant was 2010. We  
21 used the first grant as a foundation to expand the program.  
22 I'm not an expert on library systems of Virginia. Ms. Cole has  
23 focused on the system and meeting with the heads of the  
24 systems in order to help them with the health information  
25 advocacy to come in. Some of the different libraries have

1 talked to her about some hurdles to get over. There were some  
2 staffing problems. The original plan was covering 1,200  
3 square miles with one individual and we realized that was  
4 under staffed so we had 7 health information specialists that  
5 worked at least 20 to 30 hours a week in the libraries and  
6 helped outside of them to perform the program.

7 DELEGATE BYRON: Apparently it's not a self  
8 serving education system and you need people, we don't want  
9 to put another band aid on our county, it requires someone to  
10 be available?

11 DR. HOULIHAN: Yes for two reasons; one to  
12 help the residents if they have questions, they're the experts in  
13 health information. Librarians have their areas of expertise as  
14 well as the health information specialist who are individuals  
15 that have their expertise and they design and host various  
16 programs. There's something like 24,000 individual programs  
17 that occurred as a result of this grant revision.

18 DELEGATE MARSHALL: Thank you. Any  
19 further questions? Well we have this grant, what's your  
20 pleasure? We have a motion for approval of Grant 2083, do I  
21 have a second? I've got a second. All those in favor say aye  
22 (Ayes). Opposed. (No response). Next Tim Pfohl.

23 MR. PFOHL: There were a half dozen grants  
24 that were awarded in the past year. The Commission's policy  
25 is that grantees have three years from the date of the

1 Commission's approval to use their funding, they can ask for  
2 an extension for the fourth year and the Executive Director is  
3 authorized to grant that administratively and these are all  
4 projects that have hit their four year anniversary. They're  
5 asking your committee to approve a time extension.

6                   The screen is a little hard to read that far  
7 away. We're actually releasing funds as recently as this week.  
8 I can walk through these for you very quickly. The William  
9 King Expansion 921 was awarded in 2005 for a half million  
10 dollars, arts and facilities at their current site in Abingdon.  
11 The Museum subsequently came back to your committee in  
12 January 2011 to ask for authorization to move to a site on  
13 Main Street adjacent to the Barter Theatre and across from  
14 the Washington Inn and your Committee approved that site  
15 change and repurposed the funds for grant 921 to do project  
16 development involving architectural engineering work. The  
17 museum says they have an architectural firm on contract and  
18 they have a conceptual agreement for the site and they're  
19 asking for a one year extension. The staff is reminding there  
20 were conditions on the previous repurposing of funds. We  
21 recommend a one year extension contingent on meeting all  
22 previous conditions.

23                   Southwest Higher Ed Center has two requests;  
24 the first is an extension of grant 1315 which was awarded in  
25 2007 for \$918,000 and this was parallel to three operating

1 grants and we provided to the New College Institute in  
2 Martinsville and South Boston Higher Ed Center. There's a  
3 balance of \$342,000 remaining. The Higher Ed Center is  
4 reaching an agreement with VCU to initiate a Master's of  
5 Rehab Counseling Program. That will take two years to run  
6 the first pilot through so the Higher Ed Center is asking for an  
7 extension of August 31, 2014 and the staff is recommending  
8 your support.

9                                   The Virginia Electronic Commerce and  
10 Technology Center called VECTEC e-Commerce a matching  
11 grant program was so awarded in 2007 for \$150,000. There's  
12 a balance of just over \$68,000 remaining. VECTEC went  
13 through some organizational transitions over the past couple  
14 of years and they were in a program with Christopher Newport  
15 University and due to some budget cuts, they left and are now  
16 affiliated with the Virginia Manufacturers Association. They're  
17 reporting a new partnership with the Virginia Retail  
18 Merchant's Association to provide outreach on this matching  
19 grant program to help businesses in the Tobacco Region and  
20 staff is recommending a one year extension to June 2013.

21                                   The Wise County IDA American Energy  
22 Research Center grant 1664 awarded in 2008 of \$4 million for  
23 R&D Center Construction Grant, a balance just over \$418,000  
24 remaining. The Center is open for business and the remaining  
25 balance will be used to complete the interior build out portion

1 of the Center for one of the Commissions R&D Grantees. Staff  
2 recommends a one year extension.

3 Finally the Southwest Higher Education  
4 Center, Southwest Virginia Clean Energy R&D Center, 1665  
5 awarded in July 2008, \$8 million. One of our R&D Center  
6 construction grants, the original site for the Higher Ed Center,  
7 this was a Geotechnical condition and I believe they identified  
8 a new site and some design work is underway for technical  
9 engineering. Probably a project that would still be active a  
10 year from now but hopefully will be under contract and  
11 construction and so forth. Staff is recommending a one year  
12 extension with the understanding that the facility will not  
13 likely be open in a year. A year would receive staff support.

14 Halifax Education Foundation. This is one of  
15 the grants awarded in 2008, stand up R&D Centers. Actually  
16 a portion of the \$8 million granted is being used to Riverstone  
17 Energy Center. That facility or the Riverstone that's for  
18 research. At the time of the application the Riverstone Energy  
19 Center Program with Virginia Tech and now it operates under  
20 the umbrella of the Halifax IDA which is a change that the  
21 Committee gave their blessing to in recent years. The Center  
22 is now fully staffed. The Commission staff and the  
23 Commissioners at the Riverstone were very impressed with the  
24 cooperation going on there among several research and  
25 development organizations. The Center for Advanced

1 Manufacturing and Higher Education Center, R&D Grantees  
2 UVA and working on other projects. Staff is recommending an  
3 extension to July 31, 2014.

4 DELEGATE MARSHALL: Does anyone have  
5 any questions for Tim? All right we can take these in a block  
6 or we can take them individually. We deal in motions.

7 MS. NYHOLM: I move we accept the staff's  
8 recommendations.

9 DELEGATE MARSHALL: We have a motion  
10 and a second we accept these in a block.

11 MR. CANNON: Second.

12 DELEGATE MARSHALL: Any discussion? All  
13 those in favor say aye (Ayes). Opposed. (No response). All  
14 right, we now have healthcare funding.

15 MR. NOYES: Thank you Mr. Chairman. You  
16 have a page with some bullet points on it. Tim, Ned and I put  
17 together to sort of frame the discussion. What it is, is that this  
18 Committee is expecting in terms of applications that are for  
19 access to healthcare. These are by no means all but these are  
20 just the points to get the discussion started and this may take  
21 multiple years but what I think is that we will learn from  
22 applicants what it is that are their most pressing needs when  
23 we have an initial round. This will be helpful in guiding  
24 applicants and equally important I believe in guiding the staff  
25 as staff prepares recommendations on projects to review in

1 July to be considered by the Committee at the September  
2 meeting. This is an attempt to get started. Mr. Chairman, I  
3 can go bullet point by bullet point.

4 DELEGATE BYRON: I think probably the best  
5 thing would be to, as we go through these if you have a  
6 question about each individual bullet point, we can take that  
7 up at that time.

8 MR. NOYES: The first bullet point is cancer  
9 research. We have a new law effective July 1<sup>st</sup> which says that  
10 the Tobacco Commission shall consider projects from, in the  
11 two designated cancer centers, funds may be used at those  
12 centers. This simply acknowledges the new legislation which  
13 has been signed. It doesn't mean other people couldn't come  
14 in but this is intended to acknowledge the new law.

15 Expanded access to prescription medicine  
16 where personnel paid with TICRC funds to coordinate efforts  
17 that result in significant reductions in patient costs. This is  
18 not our funds being used for actual purchases of medicine, it  
19 is for that coordination which leads to our neighbors being  
20 able to save money on prescriptions that many people don't  
21 have. I would point out to the Office of the Virginia Healthcare  
22 Foundation this has been a remarkably successful effort to  
23 date saving tens of millions of dollars people ordinarily would  
24 be paying out of their pockets, they wouldn't be getting  
25 prescriptions. I put it in there as an element and staff with

1 Virginia Healthcare that was similarly impressive.

2 DELEGATE KILGORE: I didn't put him down  
3 as an appearance but I guess I should have, I should have put  
4 him down on the first sheet. I don't know why he's not on the  
5 committee but he's there. A lot of times people have a  
6 pharmacist or a doctor look at the medicines and they try to  
7 reduce the number of meds they're on by going in an  
8 examining their list on their own.

9 MR. NOYES: Bullet three, expanded access to  
10 medical professionals where TICRC funds are used as some  
11 portion of a multi-year services contract that may include  
12 relocation expenses. Please note that this may involve  
13 replacement of medical professionals who, for whatever  
14 reasons, no longer serve residents of the Tobacco footprint or  
15 it may involve support for new or augmented specialty services  
16 where demand is clearly demonstrated. I would point out to  
17 members of the subcommittee that as an over arching policy,  
18 the Commission has been project by project basis prepared to  
19 support personnel costs and operational costs for a period not  
20 to exceed three years at which point we expect that project to  
21 be self sustaining. That's a further note for potential  
22 applicants. The truth is we don't have enough doctors to meet  
23 the needs of everyone. This matter has come up in previous  
24 discussions members of the Commission. It appears here  
25 because it has been important and it's clearly a need that I

1 think you'll be hearing about.

2 MS. NYHOLM: So we will be waiting for  
3 applications that will fall within this bullet point right now we  
4 don't know?

5 MR. NOYES: We don't, the normal application  
6 process July 13<sup>th</sup> and that's when applications and we'll be  
7 providing guidance of what it is you may be looking for. It  
8 doesn't limit applicants to abide only with these things. We  
9 want to see what the universe is. This is a work in progress.  
10 It can change over time. We needed some place to start.

11 MR. WALKER: I'm concerned about the scope  
12 of where we're heading with all this. This is a pile of money to  
13 spend.

14 MR. NOYES: We're talking about \$4 million.

15 MR. WALKER: That's a lot of money and  
16 everything you mentioned is wonderful. Can we afford it and  
17 where are we going? I'm not quite sure I understand.

18 DELEGATE MARSHALL: That's what the  
19 subcommittee does. We're trying to define what we will do and  
20 get top priorities with applications. We can go anyway we  
21 want, that can save some time.

22 DELEGATE KILGORE: This year with the  
23 amount of money and we have all these applications coming  
24 in, that's going to fall on staff to look through all these  
25 applications, going out and look at projects. I'm not sure we

1 can do all that.

2 DELEGATE BYRON: I think it's at the  
3 discretion of the chair. We can look at what really needs to  
4 happen. It may be that your application deadline will change  
5 from this in our next meeting or even in January. We can look  
6 at the present time with this committee; we can look at the  
7 level of funding for these. Some of our money may already be  
8 designated. Something may make more sense than another  
9 project.

10 DELEGATE KILGORE: Well we've only got so  
11 much money in special projects. Some of these things, if we  
12 should keep them in special projects, we can look at them  
13 before the full meeting and if we have to take money away  
14 from another committee, we could get a little bit of an issue  
15 there.

16 DELEGATE BYRON: Talking about reviewing  
17 R&D, the application amounts as far as putting a limit on the  
18 applications.

19 MR. NOYES: Are we ready to proceed?  
20 Acquisition of medical and essential communications  
21 equipment necessary to support expanded services, including  
22 hospitals and satellite sites. Please note that the issue of  
23 supplies will bubble up in applications and it may be that you  
24 need to somehow distinguish between disposable supplies and  
25 equipment that will be used for multiple persons. This is just

1 a heads up that as clinics expand, and we have to support  
2 clinics where there are none for ready access to healthcare  
3 needs and equipment. They are all going to need equipment.

4 DELEGATE MARSHALL: A hospital or doctor's  
5 office just can't go out sometimes and buy a piece of  
6 equipment; they have to go through the state to get that  
7 certificate of public need. First of all, if that funding is  
8 available or if you have a COPN already where they come to  
9 us, that's important.

10 MR. NOYES: That could be added in  
11 discussion to advise applicants that that process must be  
12 followed ahead of consideration by yourself.

13 The next one Telemedicine initiatives, to  
14 include fixed assets, personnel and transport costs. Staff  
15 recommends that such support be limited to not more than  
16 three calendar years. Arguably telemedicine is the most  
17 efficient way to reach the most people and that's the reason  
18 that appears in talking about assist to healthcare and at the  
19 end of the day, it's about numbers and how many people are  
20 served and it seems to me this is the most efficient way to  
21 meet their needs.

22 MS. NYHOLM: What is telemedicine?

23 MR. NOYES: Diagnostic procedures done in  
24 Charlottesville for someone in Buchanan County. They don't  
25 have to travel. All this can be transported over the network

1 and that's just an example.

2                   Continuous charges, to include lease  
3 payments, utilities, faculty insurance, et cetera. Staff  
4 recommends that such award be limited to not more than  
5 three calendar years. This would apply only to new venues  
6 and would not replace any existing arrangements. The  
7 thinking behind this is that it's a lot cheaper to lease space  
8 than it is to build a new clinic in every other jurisdiction. We  
9 should encourage people to want to do the most efficient way  
10 to serve the largest number of people. I'm saying we need to  
11 have it available so that folks will know what we're willing to  
12 do.

13                   MR. CANNON: I'm a little overwhelmed with  
14 what we're talking about. I know this is very important and a  
15 step forward but we're trying to create jobs here. This is so  
16 large I don't know that we can accomplish it.

17                   MR. NOYES: Mr. Cannon, I'm not  
18 recommending all of these. I'm simply saying these are things  
19 we need to talk about and if we want to narrow it down, we  
20 need to communicate that to these people.

21                   MR. CANNON: We're not going out searching  
22 for people, people would be coming to us.

23                   DELEGATE KILGORE: Mr. Chairman, I think  
24 what I'm hearing from this side of the table you're liable to get  
25 a deluge of applications like 100 applications.

1 MR. NOYES: Members of the subcommittee, if  
2 you want to narrow it down that's fine but these are things for  
3 us to talk about.

4 DELEGATE KILGORE: Mr. Chairman, if you  
5 narrow it down, how much time are we talking about?

6 MR. NOYES: Applications will be due the 13<sup>th</sup>  
7 of July and we'll have a meeting date to be determined in  
8 September if this Committee reviews a dozen applications or  
9 50 applications.

10 DELEGATE BYRON: You're saying we'll have  
11 applications by July 13<sup>th</sup> and then after that date, we can  
12 narrow it down?

13 DELEGATE MARSHALL: Is that a motion or is  
14 your motion to narrow it down –

15 DELEGATE BYRON: Taking applications for  
16 dealing with medical issues, Access to Health Care and we  
17 don't do that until the priority activities are defined by the  
18 Committee at the next meeting or at the next application  
19 deadline.

20 DELEGATE KILGORE: When you say the next  
21 application deadline, let's say we'll need a meeting between  
22 now and September and come up with a priority, I think that  
23 would be the best thing to do. If you choose two or three of  
24 these, that's fine. If you have a tier I and a tier II. The next  
25 application deadline may be next year. You may spend all the

1 money by your September date.

2 DELEGATE BYRON: So we'll amend the  
3 motion to say that we'll put out that we're not accepting  
4 applications for healthcare until after the next Tobacco  
5 Commission meeting. By that time we'll have determined the  
6 priority activity.

7 DELEGATE MARSHALL: We've got a motion  
8 and a second.

9 MR. NOYES: We are going to accept special  
10 project applications for other types of projects which are due  
11 July 13<sup>th</sup>.

12 DELEGATE MARSHALL: That's correct, we  
13 just won't accept those for healthcare. Does everyone  
14 understand the motion? That we have a deadline of July 13<sup>th</sup>  
15 for applications for special projects and at that time we will not  
16 accept the access to health care applications.

17 DR. REDWINE: The grants that we've already  
18 had circulated involving access to health care, are you saying  
19 two of those?

20 MR. PFOHL: It's an update, Southwest  
21 Economic Development; there's two healthcare projects that  
22 have been tabled since September. One is the clinic in the  
23 Town of Nickelsville and the second one is the proposal from  
24 UVA Telehealth Medicine Outreach in Southwest. The  
25 Southwest Committee referred them onto special projects with

1 the understanding that healthcare projects are now under  
2 your committee.

3 DR. REDWINE: One of those projects was  
4 funded by Southwest Economic Development maybe a year  
5 and a half ago and then they put in the second part of that.  
6 Then we started this strategic plan to decide where we were  
7 going to go and things were tabled for that reason until we  
8 found out that healthcare was going to be with the  
9 Commission. Once we decided on in the last few months that  
10 Access to Health Care is with special projects. Now, my  
11 question is does those stay with Access to Health Care, come  
12 in at a later date or are they in or where are they?

13 DELEGATE MARSHALL: I think it's Access to  
14 Health Care with this Committee.

15 DR. REDWINE: They wouldn't be considered  
16 until all the other Access to Health Care grants would be later  
17 on?

18 DELEGATE MARSHALL: By motion that's  
19 tabled, that's correct. So does everyone understand the  
20 motion? All those in favor say aye. (Ayes). Opposed. (No  
21 response).

22 MR. NOYES: Do we need to continue with this  
23 then?

24 DELEGATE MARSHALL: As we go through  
25 these, it will give us time and I'd ask the members to look

1 through these and then get back to staff with some of your  
2 thoughts.

3 MR. NOYES: Capital projects and equipment  
4 requests for more than \$500,000 (\$250,000) in TICRC  
5 financing shall be required to provide equivalent cash match  
6 that must be in place prior to the disbursement of any TICRC  
7 funds. Big ticket items we're prepared to entertain on a  
8 shared cost and cash basis.

9 MR. SPIERS: Does that include one to one?

10 MR. NOYES: One to one, yes. This Committee  
11 can set it wherever. If we're going to do this, we have to set it  
12 somewhere.

13 MS. NYHOLM: On a one to one, if an applicant  
14 is likely to put whatever dollars they have and they've got to  
15 match, then they could have more funding for personnel or  
16 whatever if they file a match?

17 MR. NOYES: That's entirely possible, it's up to  
18 the subcommittee to consider.

19 MS. NYHOLM: Personally I think we should  
20 consider a match for any funding and maybe a three year  
21 maximum.

22 MR. NOYES: That's certainly something the  
23 Committee should look at and making a decision on what the  
24 matching levels will be and the purpose. Multi-year project  
25 requests, particularly those involving personnel shall be

1 required to show an escalating proportion of the total project  
2 costs to be borne by the grantee during years two and three.  
3 The example I give will be the grantee would have a 25 percent  
4 responsibility in year one and the Commission 75, 50/50 the  
5 second year and then 75 percent on the part of grantee in year  
6 number 3. That's one way of encouraging the sustainability.  
7 An example would be a \$3 million initiative taking three years  
8 would actually involve a \$1,500,000 TICRC commitment.  
9 Second and third award shall be performance based.

10 TICRC funds can be made available to for  
11 profit organizations in exactly the same way that we do  
12 through the R&D and TROF programs. We have to have an  
13 eligible applicant have a for profit beneficiary but if we're  
14 buying tangible assets part of the project, they remain under  
15 the control of the eligible applicant and IDA accounting or  
16 something like that. If Frank Ferguson was here he would tell  
17 you that's the way to do it.

18 The outcome measures will include number of  
19 persons served. All Access to Health Care projects will be the  
20 number of persons served. If somebody comes in here and  
21 says I need \$250,000 and we're going to serve 50 people and  
22 somebody else comes in and says I need \$250,000 and I serve  
23 150 people then the outcome measures the impact for  
24 \$250,000. The staff recommendation would almost certainly  
25 be favorable for the larger population served.

1 MR. CANNON: Significant needs, if you don't  
2 have the medical facilities, particularly a large county.

3 MR. NOYES: That's something that Tim raised  
4 and if you look at the level of distress in terms of what services  
5 are available, and that becomes a priority for the staff to  
6 evaluate on the applications. No doctor for 100,000 people in  
7 a two or three county area, maybe there's no doctor in another  
8 place for 50,000 people and the staff would probably  
9 recommend to serve the highest needed area. We will do it  
10 however you tell us.

11 DELEGATE MARSHALL: If the Committee  
12 thinks that's important then we'll consider that.

13 MR. CANNON: I would be worried about the  
14 population to be served.

15 MR. NOYES: The next bullet point is  
16 expanded access to screening for prevention shall be an  
17 eligible project.

18 MR. SPIERS: Preventive care will be  
19 considered for screening?

20 MR. NOYES: This is specifically for screening  
21 so yes. We're not recommending it but simply putting it on  
22 the table for your consideration. TICRC financing ought not  
23 be used to supplant services that health care providers decide  
24 to reduce or eliminate. The presumption is that providers  
25 would not make the decision if there was sufficient demand. If

1 somebody were to shut down an OB/GYN or shut down a  
2 dermatology practice and then come back and reopen it with  
3 our funds, how do we know that with certainty?

4 The final bullet point is does the committee  
5 desire to assign priority to particular groups, that is, to  
6 workforce age persons or uninsured persons or children?  
7 These are all matters for discussion.

8 DELEGATE MARSHALL: We'd ask you to go  
9 through these and if you want to add something to them or  
10 drop something out and think about these. Neal, do you want  
11 those sent to you?

12 MR. NOYES: It can come to me, that's fine.

13 DELEGATE MARSHALL: We brought this up  
14 and there's something in the Supreme Court that's going to  
15 happen this summer and the federal government might be  
16 doing some of this too. Any other comments? All right.  
17 Thank you.

18 The next committee meeting, a date to be  
19 determined, Tim do you want to cover the application dates?

20 MR. PFOHL: The special projects program,  
21 we've had some projects in multiple localities where we define  
22 regional participation getting those projects that had  
23 government participation for localities that have real financial  
24 participation. Those are the kind of projects we encourage.  
25 Research projects, economic development properties. Those

1 are the type of projects traditionally that have been eligible  
2 and a good fit for the Commission. The research projects are  
3 in the R&D. Those projects that traditionally have been  
4 eligible for special projects and July 13<sup>th</sup> is the deadline. Then  
5 the staff will spend two weeks reviewing those and get them in  
6 hand for the September meeting. Then at that point we'll  
7 begin conversations about health care and we'll advertise a  
8 subsequent due date for applications for health care.

9 DELEGATE MARSHALL: I think back in 2008  
10 we did the research facility and that building is right behind  
11 us here and that's called Sintec. We had a ribbon cutting  
12 about a month or so ago.

13 Next is public comment, anyone in the public  
14 that would like to make a comment? All right, if not, then I'll  
15 entertain a motion to adjourn. We're adjourned.

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17 PROCEEDINGS CONCLUDED

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