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Tobacco Indemnification Money and Its Impact on Education in Southwest Virginia

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**TOBACCO INDEMNIFICATION MONEY AND ITS IMPACT ON
EDUCATION IN SOUTHWEST VIRGINIA**

A Research Paper Presented to the Graduate

Faculty of the Department of STEM Education and Professional Studies

At Old Dominion University

In Partial Fulfillment of the Requirements for

The Degree

Master of Science in Occupational and Technical Studies

By

Mark A. Miller

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SIGNATURE PAGE

This research paper was prepared by Mark A. Miller under the direction of Dr. John M. Ritz in OTED 636. It was submitted to the Graduate Program Director as partial fulfillment of the requirements for the Master of Science in Occupational and Technical Studies.

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Dr. John M. Ritz

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ABSTRACT**TOBACCO INDEMNIFICATION MONEY AND ITS IMPACT ON EDUCATION IN SOUTHWEST VIRGINIA****Mark Anthony Miller****Old Dominion University, 2011****Director: Dr. John M. Ritz**

The funding of higher education in Southwest Virginia, using the tobacco settlement money, has been an issue with very little data on impacts of existing funding methods. Recognizing the need for more funding and issues with existing funding, would aid the tobacco commission with data to re-evaluate the current funding levels. Is the current funding enough to help students attend higher level institutions? Is the funding providing high speed internet to rural areas where some of the growers are located?

Tobacco growers were randomly selected and interviewed to find out their experience with the tobacco indemnification money. Data were also supplied by the tobacco commission on scholarship awarded and the age of the recipients.

Each grower was asked the same questions and the use of open-ended questions were used to determine if other factors played a roll in how much money they received or if they had high speed internet available. The results showed a high number had received funding for there selves, children, or grandchildren. The largest amount was for the grandchildren. High speed internet was available in most of the cases, but few had access due to either costs or not sure if it was available.

This thesis is dedicated to my mother Algerine Miller, who passed away early in her life.

ACKNOWLEDGEMENTS

A great big thanks goes out to my wife and kids who have put up with me while I was working on class work when we could have been doing something else together. A gesture of appreciation goes to Dr. John Ritz and Dr. Walter Deal, with whom their support and encouragement helped me make it through my bachelor and masters degree programs while a distance learner at Old Dominion University.

Mark Miller

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CHAPTER I

Introduction

Tobacco for many years was the crop in Southwest Virginia and other places and was the cash crop for families. People relied upon the sale of burley tobacco in Southwest Virginia to pay for their food, equipment, houses, transportation, taxes, and the education of their children. Education now has become a necessity in today's work force and in some cases is viewed as being a luxury by attending higher education due to the high tuition costs. When people lose jobs or other sources of income they tend to cut back on some of the luxuries of life. Without financial help most farmers and their children are unable to attend college due to costs. Those that still farm have time issues, due to long hours worked on the farm. If most had access to distance learning programs this would allow more to continue their education, but without high speed internet this is impossible.

Tobacco companies in the late 90's came under political fire to wipe out the health issues surrounded by tobacco usage (Virginia Tobacco Commission, 2009). Most large tobacco companies such as Phillip Morris and Winston were being sued by individuals and groups, for health issues and addictions of tobacco usage. Agriculture of tobacco was controlled by the federal government and was regulated to keep from having one company take over the process of raising their own tobacco, and instead rely on farmers to produce and sell the tobacco at auction. In 1998 the tobacco companies reached a settlement under the Master Settlement Agreement, with individual states including Virginia to cease the law suits with settlement to be given to states over a 25

year period (Virginia Tobacco Commission, 2009). Virginia received 4.1 billion dollars during this agreement (Virginia Tobacco Commission, 2009). In 2004 the government felt it was unfair to keep promoting tobacco and decided to abandon the control over the amount of tobacco and support price paid at auction for the sale of tobacco, allowing it to become an open market commodity.

The federal government and states realized the effect this would have on growers, so they decided to offer a buy out of the farmer's quota and grower allotment over the next few years. This was a small portion of the income that they had received from growing tobacco. The state of Virginia, under Governor James S. Gilmore, III, set up legislation that would allocate 50% of the MSA to be used to help revitalize the areas of the Southside and Southwest Virginia that were mostly impacted due to this loss of revenue (Chmura Economics & Analytics, 2008). The Tobacco Indemnification and Community Revitalization Commission were established in Virginia and were given the task to distribute these funds over the next 25 years. The Virginia Tobacco Commission was given the task each year to view funding requests and allocate money based upon each year's allocated funding; along with this was the commission's view on how much should be provided for educational purposes.

Statement of the Problem

The problem of this study was to determine the educational impact of tobacco settlement funds on quota holders and growers in Southwest Virginia.

Research Goal

To guide this study, the following research questions were established:

1. What portion of the Virginia tobacco settlement funds went toward higher education for quota holder and growers in Southwest Virginia?
2. What part of settlement funds were used for high speed internet for quota holders and growers in Southwest Virginia?
3. What were the age groups of quota owners and growers that received settlement money for higher education in Southwest Virginia?

Background and Significance

The issue of southwest Virginia tobacco farmers receiving the benefits from the tobacco buy out has been an issue of political debate over the past few years. Virginia legislators and the Virginia Tobacco Commission believe that the money was being allocated in a way to help revitalize Southwest Virginia. Growers of tobacco saw the money being spent on projects that were not of value to growers and their heirs. Tobacco farmers seem to be frustrated with the amount of money that is offered for scholarships for their children's higher education needs, when they saw tobacco money being spent on special funded project jobs with no relation to education. Washington, Smyth, Russell, and Scott Counties in Southwest Virginia that produced some of the largest crops of tobaccos and some that still raise tobacco are without access to high speed internet. Dickenson, Buchanan, and Wise Counties of Southwest Virginia that produced small amounts of tobacco have benefited with high speed internet with

tobacco grant money. The “e58” bill was introduced in 2002 to provide fiber optic along the US highway 58 corridor. When one looks at a map of acres of tobacco harvested by county in 2004 and then overlay that with a highway map of Rt. 58, the location of most farms in Southwest Virginia do not lie along this route.

Legislators and the tobacco commission believed that by developing tourism, industrial development, arts, and high speed internet backbones along the main corridors in Southwest Virginia, it would eventually provide educational opportunities to all growers and their heirs. Looking at data showing the distribution of funding from 2000 to 2009 (Chmura Economics & Analytics, 2008), the data show the lack of educational spending compared to other types of projects with the exception of 2006. Tobacco farmers believe that the educational need for their kids and grandkids are necessary now, and some of the money needs to directly be routed to those growers and quota owners.

Based upon information from the Abingdon Virginia Office of the Tobacco Commission, reports show from 2002 to 2009 about \$6,117,241.00 has been awarded for scholarship money for 4-year degree colleges. The commission office also shows that during the 2002 to 2009 period, 4,483 students were awarded this money. This would amount to about \$1,364.54 per student. This will be compared with other scholarship money awarded on the average in Virginia. Based upon data (Chmura Economics & Analytics, 2008), if one looks at associate degree programs in Southwest Virginia one can see a drop from the start of 2002 revitalization up to the 2007 year.

The tobacco scholarship money was only available to those pursuing Master or Bachelor's degrees. There is grant money available from the Tobacco Commission at most community colleges and it is separated from the Indemnification money.

The results from the study would be used to help better determine if the money that has been allocated met the educational needs of the quota holders and the growers in Southwest Virginia. Where are the target groups in Southwest Virginia that the money was intended for and what are their needs for educational assistance? This study will show if tobacco growers and quota holders and their children are missing out on higher education needs due to lack of a high speed internet services.

Limitations

The limitations of this study were as follows:

1. The data collected were limited to those attending 4-year colleges.
2. The data collected were limited to a survey of growers and quota owners.
3. The data collected were limited to reports from the Tobacco Commission, news articles, and independent studies; literature reviews consist of mainly historical information.
4. Information will need to be obtained from interviewing agency heads, legislators, and known tobacco farmers.

Assumptions

This study was based upon the following assumptions:

1. Was the amount of funding available for tobacco scholarship money for quota holder, growers, and their children for higher education, adequate enough to encourage participation in the program?
2. All farmers interviewed were from one of the largest producing tobacco counties in Southwest Virginia.
3. There is not availability of high speed internet in the rural areas where most quota holders, growers, and their children reside.
4. Data collected from reports will show the allocation of the tobacco money and what type of programs are receiving grants from the commission.

Procedures

To determine the comparisons of quota holders and growers receiving educational assistance money since 2002, it was necessary to have queries developed to utilize spread sheets at the Tobacco Commission and sort by age of recipients of tobacco scholarship money at the office in Abingdon, Virginia. The age group will also be established in the same way to determine the education level of adults returning to school. To find the average income from growers before the buy out, use of poundage allotments and multiply this number by the average price per pound of tobacco for that year. High speed Internet service will be a survey of those in an area that is rural and has a high amount of tobacco growers or quota holders. Surveys were used to interview. Based on the data collected it can be compared to the number of growers in the county. Other information will be obtained from newspaper articles and studies provided by the

Tobacco Commission. Data will be compiled to determine numbers of recipients and average dollar amounts for scholarships.

Definition of Terms

The following definitions were provided to assist the reader in understanding the terms related to this study:

Master Settlement Agreement (MSA): In 1998, the Attorney General's Office of 46 states signed this agreement with the four largest tobacco companies in order to settle law suits and costs associated with smoking-related illnesses. The amount of the settlement was \$206 billion, with Virginia receiving \$4.1 billion over the 25 year period (Tobacco Commission, 1999).

Grower: This is reference to someone who had raised tobacco on their own farm using the allotment for that farm.

Quota holder: This refers to someone who has leased allotments from another grower and this is added to their basic grower allotment.

Allotment: Amount of tobacco that was determined by the U.S. Department of Agriculture to be grown on a determined amount of acreage. This allotment was tied to the farm acreage and did not transfer to other land purchases. Anyone purchasing land with an allotment became a grower.

Burley tobacco: Type of tobacco that was grown in Southwest Virginia; the tobacco was raised, cut by the stalk, and placed in barns to cure.

Tobacco auction: A place where tobacco was taken when ready to be sold; tobacco companies would bid on tobacco based on color and texture.

“e58” bill: 2002 Virginia bill to provide fiber optics from the Tidewater to Lee County following the path of US Route 58.

Overview of Chapters

This chapter discussed the definitions of tobacco indemnification money in Virginia. It explained the problem of different views of the farmers and the tobacco commission. The focus of the study has to provide both the farmer and the commission with information that could help redirect or better understand the routing of funds for education purposes in Southwest Virginia.

The review of literature in Chapter II will discuss details around money that has been allocated, studies in the change of those attending higher education since 2002, tobacco harvested per counties, grant money that is related to educational needs, and location of high speed internet grants. Chapter III will define the methods and procedures and explain the means by which the data were collected. Chapter IV will show the data that were collected during the survey. The summary, conclusions, and recommendations in Chapter V will summarize and draw conclusions for the study.

Chapter II

Review of Literature

The review of literature will include all readings that were needed to find data related to indemnification money. This will review how the tobacco buyout was introduced and why southwest Virginia was picked to receive parts of the buy out money. The literature review will look at the Master Settlement Agreement, Jobs in Educational Fields, Funding for Education, Monies Available for Students, High Speed Internet Services, Results of Blue Ribbon Review Tobacco Panel, Examples of Making Progress in Education in Southwest, Minutes of the TIRC Meetings, and the Summary.

Master Settlement Agreement

Tobacco is not good for us, and this is a true statement. Tobacco use results in over 400,000 deaths each year in the US (CDC, 2005), and the economic costs are staggering: an estimated \$167 billion is spent annually as a result of productivity loss and health-care expenditures associated with tobacco use (CDC, 2005). The chemicals that are in tobacco have skull and cross bone pictures on their labels, marking the dangers of what was being put on tobacco in the fields. The product was in demand and due to addictions of this substance people failed to recognize the hazards in using it. The states got tired of paying out millions in health care costs due to tobacco usage and decided to take action against the larger tobacco companies. The tobacco companies settled with large amounts of money; in return the States would not pursue future

lawsuits against the tobacco companies. Virginia was one of the states that settled with Phillip Morris and Winston (Virginia Tobacco Commission, 2009).

In 1998, the Attorneys Generals of the 46 states signed the Master Settlement Agreement (MSA) with the four largest tobacco companies in the United States to settle state law suits to recover billions of dollars in costs associated with treating smoking-related illnesses (Virginia Tobacco Commission, 2009 ; Blue Ribbion Review Commission, 2008). Four states - Florida, Minnesota, Mississippi, and Texas - settled their tobacco cases separately from the MSA states. While the MSA is in perpetuity, over the next 25 years, states will receive over \$206 billion from the settlement. Virginia's share will be \$4.1 billion (Virginia Tobacco Commission, 2009). In 1999, Governor James S. Gilmore, III, proposed and the Virginia General Assembly approved legislation allocating fifty (50) percent of the Master Settlement Agreement money due the Commonwealth of Virginia to tobacco community revitalization in Southside and Southwest Virginia (Tobacco Commission, 1999). Virginia initially has invested \$6 million to seven community colleges in Southwest Virginia (Chmura Economics & Analytics, 2008). Kentucky will receive about \$3.5 billion over the next 25 years and have allocated \$69 million to be used for a program called "Bucks for Brains" education endowment (Blue Ribbion Review Commission, 2008).

Virginia wanted to see how it could use these large amounts of funds and improve life. This was when a task force was gathered to look at how these funds could be used in a positive way. In 1999, The Virginia Tobacco Indemnification and Community

Revitalization Commission were created to disperse funds based upon criteria set by the board and monitor the results of funds. The benchmarks set were to measure the effects and would be based upon Southside and Southwest Virginia data. The need was set because Southwest Virginia would have a lower education level and Southside Virginia would consist of a higher level diversity (Chmura Economics & Analytics, 2008).

Jobs in Educational Fields

The latest study by Chimera Economics & Analytics (2008) looked at different economic factors and other factors comparing Southside and Southwest Virginia. The study showed even with the help of tobacco money Southwest and Southside still lagged well behind the state average. While the nation and the State of Virginia were seeing increases in employment due to the technology boom, Southside and Southwest were seeing little growth (Chmura Economics & Analytics, 2008). A review of Southside jobs created was in the contracting, manufacturing sector and Southwest was more dependent on coal. Now let us look to the labor markets for Southwest; 23.60% of the jobs are related to education and health. This is followed by 14.42% in manufacturing jobs and 14.32% in retail sales. The annual average wages for each sector was as follows: Southwest (\$30,708), State of Virginia (\$46,908), and USA (\$45,301) (Chmura Economics & Analytics, 2008).

Funding For Education

The education status of all groups involved and various reports of how money is allocated for education needs to be explained. Education for young people and adults in

Southwest Virginia have a higher population of age 25 with no high school degree and much lower percentage of the population with a bachelor's degree than the state or nation (Bristol Herald Newspaper, 2008).

Education funding was not even in the mix until 2003 and technology was added later in 2004. Information from the 2009 Tobacco Commission on distribution of awarded amounts is listed in Table 1.

Table 1

Funding for Education Awards

Award Year	Percentage Awarded for Education
2000, 2001, and 2002	No funds allocated during these years
2003	24%
2004	22%
2005	26%
2006	9%
2007	29%
2008	19%
2009	10%

(Chmura Economics & Analytics, 2008)

The change in education awards is due to the success or earlier money in approving education status in Southwest Virginia. But a study provided by the Tobacco

Commission showed this were not the case; associate degree awards were down 4.58% in Southwest compared to the state benchmark. The trend does show that adults working and wages compared to the state have improved (Chmura Economics & Analytics, 2008).

Monies Available for Students

What were the available education opportunities in Southwest Virginia? The southwest burley tobacco scholarship program offers quota holders and producers from 1998 to 2004 and their family scholarship money. For students interested in a four year institution, in-state or out-state, a maximum of \$2,500 for tuition and fees, not to be used for books, supplies, or board is offered annually. Separate from this are education awards granted in 2009; Virginia Highlands Community college applicants and other community colleges in the area offered full scholarships for students in this same category, which is less than \$1,500 per semester. In 2009-2010 the Southwest Burley Program was awarded \$1.2 million in four year scholarship money, while in 2008-2009 year the amount was \$5.7 million (Virginia Tobacco Commission, 2009).

A study performed by the U.S. Department of Education showed in 2003-2004, 63% of undergraduates at a four year colleges received financial aid, grant, or loans. Of this amount, 76% received aid in the average amount of \$9,900. Of the same amount, 62% received grants on the average of \$5,600 and 50% received student loans in the average amount of \$6,200. The average out of pocket expense for students was \$8,500,

including loans. This would mean, based on average the tobacco scholarship money, it would be equal to about 44% of the amount of grant money received on average.

High Speed Internet Service

Technology has become the key to educational opportunities in Southwest Virginia; fiber optic and high speed internet services would allow adults to go back to school and improve their standard of living. According to a 2005 report, the tobacco commission had invested \$19 million dollars to bring broadband service to Southwest Virginia. Most of the fiber backbone is located in the towns and along the Route 58 corridor to the coal field areas of Buchanan and Dickens County. This is not where most of the tobacco was grown prior to the buyout (Longwood College, 2008). In 2002 the “e58” project called for fiber optics to run from the Tidewater to Lee County following the path of Route 58. The fiber optics was to create higher paying jobs and technology for companies to locate to these areas. Route 58, if looked at on a map, does follow most of the high volume of poundage produced areas, while most of these areas located along Route 58 already have local cable and telephone support for high speed internet.

Results of Blue Ribbon Review Tobacco Panel

The Virginia Tobacco Indemnification and Community Revitalization Commission (TICR) created the Blue Ribbon Review Panel (BRRP) in December of 2007. It was to review its structure and operation. The board reported the following information on April 17th, 2008 (Blue Ribbon Review Commission, 2008). Southside and Southwest have a significant smaller percentage of college graduates and high school drop outs

compared to the state and the nation. The recommendation to the TCR was that this trend in college graduates must be addressed. On the focus of fiduciary responsibilities, recommendation 4 stated that the TCR should create non-profit foundations for long term projects such as education scholarship programs. The TCR, when allocating money, included the Secretaries of Finance, Commerce and Trade, and Agriculture. But they did not include the input of the Secretary of Education. The BRRP believed that more statistics were needed to provide broadband and technology usage. The access to higher education for Southwest was critical for the young people and adults; the way for them to access higher education was through money. Data supplied by the BRRP showed that out of 63.5 million dollars awarded during FY 2005-08, 37% went to facilities, 19% to operating support, 8% to equipment, and only 36% to Scholarship/Internship. The funding of \$198.4 million was awarded during the FY 2005-08 for economic development awards with 37% of these funds going to broadband. The BRRP believed that no miles of highways, water lines, industrial parks, or buildings will change the education level in Southwest. More funds need to go toward and leverage of preparing children to become a well educated workforce that will draw future employers. The TCR needs to make education affordable for the young people and adults of Southwest.

Examples of Making Progress in Education in Southwest

In the report from the BRRP to the TCR (Blue Ribbon Review Commission, 2008), the following examples of ways to improve education in Southwest Virginia were cited:

- 1. Make access to college a reality for young people and adults in Southwest.**
Create and invest in college access programs to increase student numbers.
TCIR could invest more money in financial counseling, advisories, last dollar scholarships, college visits, tutoring, and test preparation.
- 2. Become a partner in the Governor's career and technical academies that work with local schools and agencies. The classes are set up to acquire Science, Technology, and Engineering and Mathematics (STEM) classes to prepare graduates for higher paying jobs.**
- 3. Work with Community Colleges to increase opportunities to GED graduates to prepare for workforce development.**
- 4. Improve satellite campuses for Community Colleges that would allow them to expand certificate programs and off site classes.**
- 5. Create larger four year degree opportunities using the existing Higher Ed Centers.**
- 6. TCIR was to develop a large enough scholarship that will help those who attend higher education and develop a loan forgiveness program in Southwest Virginia.**

The TIRC should change its focus and place a greater emphasis on improving Southwest Virginia problems and help with workforce training through expanded educational opportunities. The panel believes that of the one billion dollars left, 800 million is still uncommitted and the TIRC could change the status of Southwest Virginia by increasing the amount awarded to education.

Minutes of the TIRC Meetings

The following quotes are from the members of the of education committee; this is a subcommittee of the TIRC. "Previously, there haven't been large amounts of money left; usually less than \$100,000 is left in the Southwest money, and all is awarded to tobacco families" (Fields, 2009).

"One thing you could do is the scholarship amount could be increased, and I think we made those suggestions in the Southside program. At one time, it was \$4,000 in order to accommodate more people, and then the amount went down to \$3750. In Southwest, the amount is \$1,200. You could raise that amount if you had a balance. Let's say this year, you could add that to your total amount for next year and then raise the amount of the scholarship; the amount of the award be at \$2,500 " (Folkes, 2009).

"If you look at the total expenditures the Tobacco Commission puts out there, it's hard to find a way to spend dollars that can be spent in a more positive way than getting a good education. I feel like we could up our allocation there, and if we have to take a good look at some of the other expenditures, I just feel like we should get some

more money committed because this is the best money this Commission has expended and will have a lasting affect on people's lives"(Mayhew, 2009).

Summary

Chapter II covered information on educational money in past allocations from the TRIC, and reports covering views of how money should be allocated. Data were provided to show how money has been spent and what effect it has had on the education in Southwest Virginia. This chapter also provided information from the BRRl review board that was hired by the TRIC to conduct a study of the effect on the commission and recommended changes. High speed internet service for Southwest Virginia was viewed by comments from the TRIC and from a local newspaper articles. Quotes from the minutes from the educational committee of the tobacco commission, showing an interest in increasing the amount of scholarship money were provided. This chapter helped support the question concerning the amount of money that was being spent in Southwest Virginia on education and what impact it has had. Chapter III will provide a profile of the population that will be surveyed and the procedures of gathering research data.

Chapter III

Methods and Procedures

The methods and procedures that were used in this study are described in this chapter. This chapter will discuss the population chosen for this study, research variables, instrument design, the methods of data collection, and the statistical analysis.

Population

The population of this study consisted of 25 tobacco farmers in the Washington County of Virginia. The population was composed of tobacco farmers who were quota owners and growers of tobacco. The population was convenient sample and each raised tobacco until the 2004 buyout and were part of the tobacco indemnification program. The 25 farmers were chosen at random, based upon the local farmers that could be contacted to answer the survey questions.

Research Variables

The independent variables for this study were the tobacco farmers in Washington County Virginia. The dependent variables were the availability of high speed internet at their home, attendance of higher education by the grower or immediate family, and money received from tobacco indemnification money for education purposes to their immediate family. Immediate family would include any dependents, children, or grandchildren.

Instrument Design

Instrument designed was based upon the research goals, which included: What portion of the Virginia tobacco settlement funds went toward higher education for quota holders and growers in southwest Virginia, What part of settlement funds were used for high speed internet for quota holders and growers in Southwest Virginia, and What were the age groups of quota owners and growers that received settlement money for higher education in Southwest Virginia. The researcher compared the tobacco farmers in Washington County Virginia that had availability of high speed internet at home versus those surveyed that did not have high speed internet at home. Data were also collected and analyzed from the comparison of educational money received from tobacco indemnification money versus those who were surveyed that did not receive indemnification money for education. Data were collected about the population of growers and their immediate family that attended higher education. See Appendix A for a copy of the survey.

Methods of Data Collection

Data were collected using the interview process; this allowed for higher numbers of survey responses. The survey was written in question form and read orally to the participant. Results were placed into a spreadsheet to allow for analyzing the confidential information. Protection of the human subjects was taken in to account and participants were listed as Grower 1, Grower 2, and etc.... This would keep the identities

of the participants protected. Participants were selected based upon known growers in the area and were not part of any individual group of growers.

Statistical Analysis

Using number of responses, percentage, and mean it was determined if high speed internet service affected the higher education needs. The education level of the growers and their immediate family who had high speed internet service at home compared to those growers who did not. Finding the percentage of growers who received tobacco indemnification money will be used to find out if money is getting to those attending higher education.

Summary

Chapter III outlined the methods and procedures used to complete this study. Characteristics of the population for this study were explained. This chapter contained information on the instrument design and how the data will be collected through interviews. The statistical analysis will be used to compare the relation of two variables to the dependent variable with number of responses, percentages, and mean responses. Chapter IV will show data that were collected and how it has been organized.

Chapter IV

Findings

The problem of this study was to determine the educational impact of tobacco settlement funds on quota holders and growers in Southwest Virginia. This chapter contains data that were collected to answer the three research goals of this study. The data collected were to determine what portion of the Virginia tobacco settlement funds went toward higher education? What part were used for high speed internet service and have the growers received high speed internet? What were the age groups that received tobacco funding for high education?

Response Rate

Twenty-five tobacco farmers were randomly selected to complete a brief interview concerning the research goals. All farmers were growers and or quota holders prior to the 2004 buyout. A response rate of 100 percent of those interviewed was received.

Higher Education for Quota Holder and Growers

Question 1, Did you or someone in your household receive educational money from the tobacco indemnification program for the State of Virginia for higher education? Explain why they answered yes. The results of Question 1 showed that out of twenty-five growers from Washington County, Virginia, seventeen had someone from their grower status receive tobacco money. A total of twenty students received some

type of money for higher education. Out of these, ten were at a two year college, seven were at a four year college, and one was at an adult skill center. Three had completed non-degree classes. Six of these were children of growers, twelve were grandchildren of growers, two were spouses, and one was a grower. From these results, the greatest numbers who attended were at the local community college. Grower five seemed to offset the results because of three grandchildren attending four-year colleges. This could have been due to external factors such as income of parents or education level of parents. The results showed that out of the twenty-five growers surveyed, they had twenty-one students that received tobacco indemnification money, 48% were at local community college, 33% were at four-year college, 14% took non-credit classes, and 5% attended the adult skill center. See Table 2.

Table 2

Did you or someone in your household receive educational money from the tobacco indemnification program for State of Virginia higher education?

Grower	No	Yes	If yes, explain
Grower 1		X	2 sons –VHCC community College (graduated)
Grower 2		X	1 grandson-VHCC community college (still attending)
Grower 3	X		
Grower 4		X	Wife took a photography class and computer class
Grower 5		X	1 grandson (Virginia Tech) and 1 granddaughter (Radford) graduated 4 year, 1-grandson freshman at Virginia Tech
Grower 6	X		
Grower 7	X		
Grower 8		X	1 son –VHCC community college (Certificate)
Grower 9		X	1 son, 1 daughter-VHCC community college (attending)
Grower 10		X	1 granddaughter –VHCC community college (Nursing)
Grower 11	X		
Grower 12		X	Grower took a basic computer class (VHCC)

Grower 13	X		
Grower 14	X		
Grower 15		X	1 granddaughter graduated Emory and Henry College
Grower 16	X		
Grower 17		X	1 grandson attended Virginia Tech (Did not graduate) 1 grandson graduated Emory Henry (accountant), 1 granddaughter from the Washington Co Skill Center in Dental hygiene.
Grower 18	X		
Grower 19		X	Wife took a cooking class
Grower 20		X	1 son will start VHCC this fall
Grower 21	X		
Grower 22		X	2 granddaughters graduated VHCC (nursing)
Grower 23	X		
Grower 24		X	1 grandson attending VHCC (general studies)
Grower 25		X	1 daughter attending Radford (Nursing)

High Speed Internet

Question 2, Do you have the opportunity to access high speed internet from your home? Explain why they answered no. Of the twenty-five growers surveyed, six had high speed internet, fifteen did not, and four were not sure. Out of the fifteen that did not, the reasons were as follows: seven said it was not available, eight did not want to pay for it, and four were not sure if it was available. The results showed that only 24% of those surveyed had access to high speed internet.

Age Groups that Received Settlement Money

Question 3, If you or someone that lives in your household received tobacco indemnification money for higher education, what was your or their age at the beginning of classes, and what degree and program of study did you/they pursue? The results of the twenty-five grower's surveyed showed 15 to be 18 years old, 2 to be 19 years old, 1 was 23 year old, 1 was 48 year old, 1 was 58 year old, and 1 was 60 year old. The findings showed that the median age of those that received tobacco money was 18. This information was also obtained from the Tobacco Commission on the age of those receiving tobacco indemnification money in Southwest Virginia; this would only include those seeking a Bachelors degree or Master's degree. See Table 3.

Table 3

Virginia Students Receiving Tobacco Indemnification Money

YEAR	18-25	26-35	36-50	51-60	60+	Total
02/03	3	188	53	35	2	281
03/04	91	550	81	48	60	830
04/05	196	474	89	43	5	807
05/06	299	272	65	30	2	668
06/07	394	104	57	18	1	574
07/08	431	49	57	9	1	577
08/09	430	36	42	7	0	515

Table 3 continued.

09/10	463	20	24	4	2	513
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Note: Table reflects the growers or quota owners that received tobacco indemnification educational money for four-year colleges in the State of Virginia.

The total number of award recipients was 2222, not 5126 as reflected by the Age Group report. Compiling data by age proved to be somewhat daunting in that each applicant is included in an age group for the duration of their participation in our program. Thus, a freshman at 18 will be counted in the 18-25 age groups for up to 4 years. Notice how the 18-25 results begin to rise over the years and the other age groups which would be considered adult learners begin to fall.

Other data collected from the Tobacco Commission was the amount of money from the tobacco indemnification that was received and listed by county. Also included was how many students from each county received tobacco indemnification funding. The results showed the total amount funded since 2003 was \$7,174,966 and was given to 2222 students. This would show that each student received on average \$3,229.00. Also notice the largest county funded was Washington and this was also where the interview survey was conducted. See Table 4.

Table 4

SW Burley Tobacco Scholarship Program, 0203-0910

COUNTY	QUALIFY	NUMBER	AMOUNT
Bland	Quota Holder	2	\$ 7,200.00
	Grower	1	\$ 1,750.00
	TOTAL	3	\$ 8,950.00
Buchanan	Quota Holder	27	\$ 83,587.00
	Grower	14	\$ 1,700.00
	TOTAL	41	\$ 125,287.00
Carroll	Quota Holder	3	\$ 4,442.00
	Grower	2	\$ 3,700.00
	TOTAL	5	\$ 8,142.00
Dickenson	Quota Holder	15	\$ 46,254.00
	Grower	10	\$ 31,950.00
	Worker	2	\$ 3,950.00
	TOTAL	12	\$ 82,154.00
Floyd	Quota Holder	2	\$ 3,500.00
	Grower	2	\$ 5,700.00
	TOTAL	4	\$ 9,200.00
Grayson	Quota Holder	22	\$ 72,616.00
	Grower	16	\$ 49,850.00
	TOTAL	38	\$ 122,466.00
Lee	Quota Holder	228	\$ 753,537.00
	Grower	99	\$ 330,577.00
	TOTAL	327	\$ 753,537.00
Russell	Quota Holder	197	\$ 707,621.00
	Grower	108	\$ 300,616.00
	Worker	22	\$ 9,083.00
	TOTAL	327	\$ 1,066,820.00
Scott	Quota Holder	263	\$ 780,029.00
	Grower	100	\$ 314,756.00
	Worker	1	\$ 2,200.00
	TOTAL	364	\$ 1,108,610.00
Smyth	Quota Holder	184	\$ 680,344.00
	Grower	68	\$ 212,288.00
	Worker	13	\$ 42,899.00
	TOTAL	265	\$ 935,531.00
Tazewell	Quota Holder	27	\$ 80,509.00
	Grower	14	\$ 41,666.00
	Worker	3	\$ 5,200.00
	TOTAL	44	\$ 127,375.00

Washington	Quota Holder	460	\$ 1,558,662.00
	Grower	193	\$ 599,783.00
	Worker	18	\$ 31,992.00
	TOTAL	671	\$ 2,195,437.00
Wise	Quota Holder	19	\$ 154,168.00
	Grower	51	\$ 45,615.00
	Worker	4	\$ 7,200.00
	TOTAL	74	\$ 206,983.00
Wythe	Quota Holder	24	\$ 77,475.00
	Grower	6	\$ 11,150.00
	Worker	2	\$ 3,750.00
	TOTAL	32	\$ 92,375.00
	GRAND TOTAL		\$ 7,174,966.00

Note:

Quota Holder = Person who owned the farm and the quota.

Grower = Person who leased poundage from a Quota Holder and produced the burley crop in a given year.

Worker = Prior to the 2005 Tobacco Buyout, anyone who helped produce the burley crop and his family members were also eligible for an award from the SW Burley Tobacco Scholarship Program. Applicants were required to submit documentation showing that they worked for a Quota Holder/Grower and earned a minimum of \$2000 each year within the previous year's production season. Following the buyout, this segment of the population no longer existed.

Summary

In this chapter the results of Question 1, Question 2, and Question 3 were reviewed. Data compiled from Question 1, showed a higher number receiving funding attended the local community college. Data from Question 2, showed that only 24% of those surveyed had high speed internet service. Data from Question 3, the median age of those receiving tobacco money was 18. Existing data from the

Tobacco Commission was also reported; this data showed the average student received \$3,229.00 in scholarship money. Information was gathered from a random survey of twenty-five tobacco growers and quota owners in Washington County, Virginia. The data from these results will provide information for Chapter V and provide our results and recommendations to be given to the TICR.

CHAPTER V

Summary, Conclusions, and Recommendations

The purpose of this chapter was to report the summary, conclusions, and recommendations of this study. The information collected was from interviews of twenty-five former tobacco growers and data compiled by the Southwest Tobacco Commission. The interview questions of growers came from a random selection of growers in Washington County, Virginia.

Summary

The problem of this study was to determine the educational impact of tobacco settlement funds on quota holders and growers in Southwest Virginia. The following research goals were used to provide the frame work for this study. Research Goal 1 was to determine what portion of the Virginia tobacco settlement funds went toward higher education for quota holder and growers in Southwest Virginia? Research Goal 2 was to determine what part of settlement funds were used for high speed internet for quota holders and growers in Southwest Virginia? Research Goal 3 was to determine what were the age groups of quota owners and growers that received settlement money for higher education in Southwest Virginia. Data were collected using a random sample and interviewing the current holders or growers. The population consisted of twenty-five tobacco growers in Washington County, Virginia.

Conclusions

Research Goal 1 was to determine the portion of the Virginia tobacco settlement funds that went toward higher education for quota holders and growers in Southwest Virginia. The interview data showed that only 33% had received money for four-year college and 48% had received money for local two-year community college. The data showed that out of the roughly \$400 million dollars already spent by the TICR only \$7,174,966 has gone directly to the funding of scholarship money for quota holders and growers in Southwest Virginia. This would relate to about 1.8% of funding being spent on four-year degree scholarships since 2003. This was money that could go directly to the student for their higher education. One reason for the lower numbers was that a higher number of students were attending the local community college. This money was given as tobacco grant money requested from the TICR to the local community college and would basically pay 100% of the tuition of the student.

Research Goal 2 was to determine what part of the settlement funds were used for high speed internet for quota holders and growers in Southwest Virginia. Nearly \$19 million dollars were spent up to 2005 to bring high speed internet to southwest Virginia. The survey showed only 24% of those surveyed had high speed internet services. Many growers and how many quota owners in rural tobacco areas were still without high speed internet service.

Research Goal 3 was to determine what were the age groups of quota owners and growers that received settlement money for higher education in Southwest

Virginia? The data showed that 18 was the median age of the students receiving tobacco money for education. This showed a lack in getting adults back in school using tobacco money. Many internal factors such as a low amount of scholarship money and high speed internet access would cause the numbers to be low.

Recommendations

Based upon research finding and comments from some board members of the education committee of the TCR, it is recommended that the TCR increase the level of scholarship money awards. By increasing the amount residents could see more growers and quota owners able to afford higher education.

Second, the researcher would recommend that TCR target high speed internet based upon where the growers and quota owners live. Instead of sending high speed internet funding to places that have never raised tobacco or have other means of access to high speed internet. The researcher believed the money needed to target the reason the TCR was formed. Yes, all Southwest Virginia could benefit from high speed internet, but the results need to prove to individuals that the money was established to help improve the lives of those whom were growers/holders. Future programs need to educate people on the benefit of high speed internet and it can be used to continue their education from home. Students in rural Southwest Virginia struggle with access to higher education without sacrificing time and money to attend distance classes. With high speed internet available they will be able to video stream classes and pursue higher degrees without ever leaving their house.

Based upon the average age of the receipts receiving tobacco money for education, the TCR needs to promote adult education and how it can improve the quality of life in Southwest Virginia. Educating the public on funding, high-speed internet service, and adult educational opportunities would be projects to fund. With the recessed economy, creating more educational structures is not near as important as creating more educational opportunities for the student, regardless of their age. Additional study could be conducted to determine why the growers/holders themselves did not pursue higher education.

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APPENDIX A**Survey Questions**

1. Did you or someone in your household receive educational money from the tobacco indemnification program for the state of Virginia for higher education? Yes or No, Please explain in yes.
2. Do you have the opportunity to access high speed internet from your home? Yes or No, if no, please explain why?
3. If you or someone that lives in your household has received tobacco indemnification money funds for higher education, what was your or their age at the beginning of classes? What degree and program of study did you/they pursue?