

TOBACCO SETTLEMENT AGREEMENT FUND OVERSIGHT COMMITTEE

Minutes of the 9th Meeting of the 2019 Interim

December 4, 2019

Call to Order and Roll Call

The 9th meeting of the Tobacco Settlement Agreement Fund Oversight Committee was held on Wednesday, December 4, 2019, at 10:00 AM, in Room 129 of the Capitol Annex. Representative Myron Dossett, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator C.B. Embry Jr., Co-Chair; Representative Myron Dossett, Co-Chair; Senators Paul Hornback, and Robin L. Webb; Representatives Kim King, Phillip Pratt, and Brandon Reed.

Guests: Warren Beeler, Executive Director, Governor's Office of Agricultural Policy (GOAP); Bill McCloskey, Deputy Executive Director, GOAP; Van Ingram, Executive Director, Kentucky Office of Drug Control Policy (KODCP); Heather Wainscott, Branch Manager, KODCP; Amy Andrews, Program Manager, Kentucky Agency for Substance Abuse Policy, KODCP.

LRC Staff: Nathan Smith, Kelly Ludwig, and Rachel Hartley.

Governor's Office of Agricultural Policy Report

Senator Hornback stated the tobacco receiving stations opened December 3, 2019, and full loads of tobacco were rejected. Philip Morris has told farmers the crop insurance would cover costs, but Senator Hornback stated the crop insurance will not be enough and the farmers could go bankrupt.

In response to a question from Representative King, Senator Hornback stated businesses will import tobacco, because it is cheaper than growing domestically.

In response to a question from Representative Pratt, Mr. Beeler stated the rejected tobacco was dried more than it cured making the tobacco yellow. Senator Hornback stated the purchasers determine if the quality of the tobacco is acceptable. The contracts are subjective, and the farmer has no recourse.

Warren Beeler provided a brief overview of the end of year changes to the County Agricultural Investment Program (CAIP), and the approved guideline changes for the Agricultural Finance Corporation.

Bill McCloskey described the Agricultural Development Board's projects for October under the program. Mr. McCloskey highlighted programs including CAIP, Deceased Farm Animal Removal, Next Generation Farmer, Shared-Use Equipment Program, and Youth Agriculture Incentive Program.

Requested program amendments included:

- Adair County Cattlemen's Association requested an additional \$10,500 in Adair County funds for CAIP. The board recommended approval, which would bring the program total to \$197,500.
- Garrard County Farm Bureau requested an additional \$20,863 in Garrard County funds for CAIP. The board recommended approval, which would bring the program total to \$255,403.

The projects discussed included:

- The University of Kentucky Research Foundation was approved for up to \$200,000 in state and multiple county funds to develop a web-based mobile application software for Kentucky beef producers.
- The Kentucky Sheep and Goat Development Office was approved for up to \$183,475 in state funds over two years for the creation of an online comprehensive educational program and Kentucky Natural Fiber Center in Millersburg.
- The World Heritage Animal Genomic Resources was denied \$1,651,032 in state funds to build a training and conservation center in Mt. Sterling. The board denied the request due to limited producer impact.

Senator Hornback stated the University of Kentucky has invested billions of dollars in upgrades to the campus; however, there have been no dollars going to the College of Agriculture, Food, and Environment. Agriculture is the number one industry in Kentucky and enrollment increases every year.

Kentucky Office of Drug Control Policy

Van Ingram provided some good news for the committee including: from 2017 to 2018 the United States had a 5 percent decrease in overdose deaths and Kentucky had a 15 percent decrease over the same period. Waiting lists for residential treatment have been eliminated.

The Kentucky Agency for Substance Abuse Policy (KY-ASAP) has local boards in 119 counties. Kentucky already has the infrastructure with local boards to utilize the

Helping to End Addiction Long-Term (HEAL) grant for which the University of Kentucky has applied.

Transitional housing is important for recovery from addiction. The Oxford House is a national program and is supported through a revolving loan fund managed by the Kentucky Housing Corporation (KHC). KY-ASAP supported the Oxford House with \$100,000 from the tobacco settlement. There are approximately 70 houses managed by KHC.

KODCP has partnered with the Kentucky Chamber of Commerce to assist companies in changing their policies so they are able to hire an individual in recovery.

Heather Wainscott stated there will be a local board in Elliott County in 2020. Once Elliott County receives its designation, Kentucky will have a local board in all Kentucky counties.

KY-ASAP is marketing against electronic cigarettes and vaping. The Bullitt County School District is the first in Kentucky to file a lawsuit against Juul.

Amy Andrews stated the largest expenditure in 2019 is to the local boards, because local boards will know how to best spend the money received. The local boards received \$3.8 million. The second biggest expenditure was \$650,000 to the Eastern Kentucky Concentrated Recovery Program.

In response to a question from Representative King, Mr. Ingram stated Narcan does work for canines.

In response to a question from Senator Webb, Mr. Ingram stated the data showing the outcome of the money spent is being prepared.

In response to a question from Representative Reed, Mr. Ingram stated police chiefs and sheriffs apply for Narcan. There is \$300,000 set aside from the tobacco settlement for law enforcement and the other funds are federal.

In response to a question from Representative Dossett, Mr. Ingram stated the jails in Kentucky are overcrowded, and it is crucial to identify substance abuse problems before criminal activity arises.

There being no further business, the meeting was adjourned.