

TOBACCO SETTLEMENT AGREEMENT FUND OVERSIGHT COMMITTEE

Minutes of the 6th Meeting of the 2020 Interim

November 13, 2020

Call to Order and Roll Call

The 6th meeting of the Tobacco Settlement Agreement Fund Oversight Committee was held on Friday, November 13, 2020, at 11:00 AM, in Room 171 of the Capitol Annex. Senator C.B. Embry Jr., 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 Dennis Parrett, Robin L. Webb, and Whitney Westerfield; Representatives Kim King, Phillip Pratt, Brandon Reed, and Rachel Roberts.

Guests: Dorsey Ridley, Executive Director, Governor's Office of Agricultural Policy (GOAP); Bill McCloskey, Deputy Executive Director, GOAP; and Paulette Akers, Director, Division of Conservation, Energy and Environment Cabinet.

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

Report on the projects considered for funding at the October meeting of the Agricultural Development Board

Dorsey Ridley stated GOAP would be receiving \$2,000,000 in additional funds from the Coronavirus Aid, Relief, and Economic Security (CARES) Act for the meat processing program.

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

The requested program amendments discussed included:

- Carroll County Conservation District requested an additional \$5,826 in Carroll County funds for CAIP. The board recommended approval, which would bring the program total to \$126,624.

- Nicholas County Conservation District requested an additional \$24,000 in Nicholas County funds for CAIP. The board recommended approval, which would bring the program total to \$276,000.
- Henry County Cattlemen Association requested an additional \$28,000 in Henry County funds for CAIP. The board recommended no funding due to being designated low priority by the Henry County Council.

The projects discussed included:

- Summit Holdings was approved for \$249,922 in state funds to expand its freezer, build a new holding pen area, relocate the office area, and to purchase additional processing equipment.
- Bourbon County Board of Education was approved for \$18,000 in Bourbon County funds for a high school greenhouse.
- Kentucky Horticulture Council was approved for \$980,768 in state funds across two years to continue technical assistance, education, research, market analysis, and market access for Kentucky's growing horticulture industry.

Division of Conservation

Paulette Akers stated the state cost share program was established in 1994 and started receiving tobacco settlement funds in 2000. The funds provide financial assistance to farmers at a 75 percent reimbursement rate with the assistance of local conservation districts. There are funds that are returned every year due to canceled projects or an overestimation of cost. These funds are appropriated in the next fiscal year. The last biennial budget appropriated \$2.5 million.

The Division of Conservation revised the funding cap of \$7,500 to \$20,000 on July 9, 2020, by administrative regulation. The funding cap had not been revised since 1994 and 50 percent of projects were impacted by the current funding cap.

In response to Representative King, Ms. Akers stated farmers should build a relationship with their local conservation district to find programs best suited for their needs.

In response to Representative Dossett, Ms. Akers stated the most commonly funded projects involve fencing, pipelines, waterers, and rotational grazing. The main focus of these projects is to prevent soil erosion and improve water quality.

There being no further business, the meeting was adjourned.