

TOBACCO SETTLEMENT AGREEMENT FUND OVERSIGHT COMMITTEE

Minutes of the 4th Meeting of the 2022 Interim

September 15, 2022

Call to Order and Roll Call

The 4th meeting of the Tobacco Settlement Agreement Fund Oversight Committee was held on Thursday, September 15, 2022, at 10:30 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: Representative Myron Dossett, Co-Chair; Senator Robin L. Webb; Representatives George Brown Jr., Kim King, Phillip Pratt, Brandon Reed, and Rachel Roberts.

Guests: Brian Lacefield, Executive Director, Kentucky Office of Agricultural Policy (KOAP); Bill McCloskey, Deputy Executive Director, KOAP; and Ellen H. Cartmell, Tobacco Prevention and Cessation Manager, Kentucky Department of Public Health, Cabinet for Health and Family Services.

LRC Staff: Stefan Kasacavage, Hillary Abbott, Kelly Ludwig, and Rachel Hartley.

The minutes from the meeting of August 11, 2022, were approved by voice vote.

Kentucky Office of Agricultural Policy Report

Brian Lacefield provided a brief overview of various events and meetings including: the Kentucky State Fair, the Louisville Agriculture Club, and the Kentucky Center for Agriculture and Rural Development.

Beginning Farmers is the largest loan program within the Kentucky Agricultural Finance Corporation (KAFC). Beginning Farmers receive 62 percent of the KAFC funds. Large animal veterinarians currently receive 0.67 percent of KAFC funds; however, this amount will increase.

Bill McCloskey described the Agricultural Development Board's projects under the program. Mr. McCloskey highlighted programs including the County Agricultural Investment Program (CAIP), Deceased Farm Animal Removal, and Shared-Use Equipment Program.

The requested program amendments discussed included:

- Rockcastle County Conservation District requested an additional \$153,135 in Rockcastle County funds for CAIP. The board recommended approval, which would bring the program total to \$321,308.
- Wayne County Agricultural Development Council requested an additional \$30,000 in Wayne County funds for CAIP. The board recommended approval, which would bring the program total to \$210,000.

The projects discussed included:

- Loretto Butcher Shop, LLC was approved for \$239,645 in state funds to purchase and renovate its current facility.
- Country Charm Event Barn, LLC was approved for up to \$26,265 in county funds to improve its facility.

In response to Representative King, Mr. McCloskey stated transitioning farmers from tobacco to a new industry is a challenge. Technical assistance must be provided to farmers, along with cost-share programs to help farmers become successful in new industries.

Kentucky Tobacco Prevention and Cessation Program

Ellen H. Cartmell stated the Tobacco Prevention and Cessation Program is funded by the Master Settlement Agreement (MSA) funds and two grants from the Centers for Disease Control and Prevention. Kentucky collected \$493 million in tobacco tax revenue, but the state spent \$1.92 billion on direct health care costs related to tobacco use. For fiscal year 2023, the CDC allocated \$1.6 million and the MSA allocated \$2 million for the Kentucky program. The largest portion of the funding goes directly to local health departments. According to the CDC, for every \$1 invested in comprehensive tobacco control programs, Kentucky will get a \$55 return on investment.

The goals of the Tobacco Prevention and Cessation Program are prevention, helping Kentuckians who want to quit tobacco products, and protecting Kentuckians from secondhand smoke. Tobacco use is the leading cause of preventable death and disability in Kentucky. Every year, smoking is the cause of death for nearly 8,900 Kentuckians.

In response to Representative Roberts, Ms. Cartmell stated 99 percent of e-cigarettes contain nicotine and they are not a safe alternative to traditional cigarettes. The Quitline Services are available to any user of nicotine.

In response to Senator Webb, Ms. Cartmell stated she will provide data regarding the financial healthcare costs of tobacco users versus e-cigarette users. Ms. Cartmell stated Jule entered into a settlement with 33 states regarding marketing to teen smokers for \$439 million, but she is unsure the amount Kentucky will receive.

There being no further business, the meeting was adjourned.