

TOBACCO SETTLEMENT AGREEMENT FUND OVERSIGHT COMMITTEE

Minutes

September 12, 2024

Call to Order and Roll Call

The fifth meeting of the Tobacco Settlement Agreement Fund Oversight Committee was held on September 12, 2024, 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: Senator Amanda Mays Bledsoe, Co-Chair; Representative Myron Dossett, Co-Chair; Senators Gary Boswell, Matthew Deneen, and Robin L. Webb; and Representatives Kim King, Shawn McPherson, Phillip Pratt, and Rachel Roarx.

Guests: Brandon Reed, Executive Director, Kentucky Office of Agricultural Policy; Bill McCloskey, Deputy Executive Director, Kentucky Office of Agricultural Policy; and Brent Lackey, Executive Director, Kentucky Center for Agriculture and Rural Development.

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

Approval of minutes for the meetings of July 11, 2024 and August 15, 2024

A motion to approve the July and August meeting minutes was made by Senator Boswell and seconded by Representative McPherson. The minutes were approved by voice vote.

Report on the projects considered for funding by the Agricultural Development Board

Brandon Reed, Executive Director, Kentucky Office of Agricultural Policy, provided a brief overview of Commissioner of Agriculture Shell's travels and activities for the last month.

For July, the Kentucky Agricultural Development Board (KADB) approved \$390,000 in funds and the Kentucky Agricultural Finance Corporation (KAFC) approved \$2 million in funds.

Bill McCloskey, Deputy Executive Director, Kentucky Office of Agricultural Policy, highlighted the following projects approved by the KADB:

- Hancock County Cattlemen’s Association was approved for \$5,000 in Hancock County funds to support their local youth agriculture cost share program.
- Taylor County Fair Association was approved for \$34,029 in Taylor County funds to support upgrades to their fairgrounds.
- Sugarloaf Mountain Meats and Processing was approved for \$14,705 in multi-county and state funds to make upgrades to their processing facility.

In response to Representative McPherson, Mr. Reed stated Kentucky is losing approximately 275 acres of farmland per day due to development and other factors.

Senator Mays Bledsoe commended the Kentucky State Fair and the educational opportunities it provided and encouraged high school students to attend.

Discussion of services provided by the Kentucky Center for Agriculture and Rural Development (KCARD)

Brent Lackey, Executive Director, KCARD, stated KCARD is an independent non-profit organization that facilitates agricultural and rural businesses in Kentucky. It was established in 2001 after the passage of House Bill 611 in the 2000 Regular Session to encourage farmers to diversify away from tobacco production.

KCARD provides educational opportunities and technical assistance to new and existing agribusinesses. There are 14 staff members working remotely across Kentucky, and most of the services are free due to grants from the KADB and the United States Department of Agriculture (USDA). KCARD does not manage or distribute grant funding. They work with agribusinesses to find, apply, and manage funding from various sources.

The KCARD performance measures in 2023 include: 516 farms and businesses assisted, 114 jobs created, \$2.56 million received in federal funds through grants to assist agribusinesses, and an economic impact of \$14.5 million.

In response to Representative McPherson, Mr. Lackey stated KCARD assists agribusinesses in identifying their labor needs and potential labor sources. KCARD will refer agribusinesses to partner organizations to assist with applying to the H-2A program for foreign workers through the United States Department of Labor.

In response to Representative King, Mr. Lackey stated KCARD is the best option for agribusinesses to go to first. KCARD will then refer them to the best option to fit their

needs. KCARD does work with existing agribusinesses and can assist with evaluating financials.

Representative Roarx commended KCARD for the assistance they provided to Logan Street Market in Louisville.

In response to Senator Boswell, Mr. Lackey stated KCARD has received funds from the Tobacco Master Settlement since 2001, and it uses those funds to leverage funds from other sources, including three large federal grants. KCARD's operating budget in 2023 was \$1.25 million, and the 2024 operating budget is projected to be \$1.6 million.

In response to Senator Webb, Mr. Lackey stated since 2001, KCARD has assisted agribusinesses in 119 out of 120 counties in Kentucky. KCARD does outreach in communities with histories of low participation in KCARD services. The grants from the USDA are not contingent on whether the type of agriculture funded is plant or animal based. The Regional Food System Partnerships grant is intended to support partnerships that connect public and private resources to develop local and regional food systems.

In response to Representative Dossett, Mr. Lackey stated in 2024 the average monthly inquiries for KCARD services is 37, while in 2023 it was 29.

Adjournment

There being no further business, the meeting was adjourned.