TOBACCO SETTLEMENT AGREEMENT FUND OVERSIGHT COMMITTEE

Minutes

June 11, 2026

Call to Order and Roll Call

The third meeting of the Tobacco Settlement Agreement Fund Oversight Committee was held on June 11, 2026, at 10:30 AM in Room 129 of the Capitol Annex. Representative Michael Sarge Pollock, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Michael Sarge Pollock, Co-Chair; Senator Jason Howell, Co-Chair; Senators Cassie Chambers Armstrong, Aaron Reed, and Robin L. Webb; and Representatives Myron Dossett, Daniel Fister, Erika Hancock, Kim King, Shawn McPherson, and Rachel Roarx.

Guests: Brandon Reed, Executive Director, Kentucky Office of Agricultural Policy (KOAP); and Bill McCloskey, Deputy Executive Director, KOAP.

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

Approval of minutes for the meeting of March 2, 2026

A motion was made by Representative McPherson to approve the March 2, 2026, meeting minutes and seconded by Representative Fister. Minutes were approved by voice vote without objection.

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

Brandon Reed, Executive Director, KOAP, stated there is an ongoing effort to boost KOAP's visibility through social media to highlight the board's decisions, projects, and staff achievements.

From December 2025 to May 2026, the Kentucky Agricultural Development Board (KADB) approved $9.8 million in funds, and the Kentucky Agricultural Finance Corporation (KAFC) approved $17 million in funds.

Bill McCloskey, Deputy Executive Director, KOAP, highlighted the following projects:

- Farmers Choice, LLC was approved for multi-county funds, with an option for a participation loan, not to exceed a total of $250,000 to purchase a grain cleaner and bushel grain bins.
- The Owensboro Catholic Consolidated School Systems, Inc. was approved for up to $658 in county funds to purchase grow lights and heat mats for its greenhouse.
- Gate Keeper Cattle Company, LLC was approved for up to $110,000 in multi-county funds, matched by state funds, for its expansion and construction of a 4,000 square foot building as a retail location, along with cold storage and shipping operations.
- West Liberty Veterinary Clinic Operations, LLC was approved for up to $83,333 in state funds and $16,667 in multi-county funds as part of the Large and Food Animal Veterinary Incentives Program to construct a new cattle facility at its clinic.
- Grayson County Fiscal Court was approved for up to $250,000 in state funds and $10,000 in Grayson County funds to construct a farmers market building.
- Casey County Veterinary Services, PLLC was approved for up to $83,000 in state funds and $17,000 in multi-county funds to build a handling and treatment facility as part of the Large and Food Animal Veterinary Incentives Program.
- Conyea Property Holdings, LLC was approved for county funds, matched by state funds, as a cost reimbursement grant for up to $250,000 to purchase and convert an existing facility into a packaging warehouse for produce.

In response to Representative McPherson, Mr. Reed stated the Master Settlement Agreement forecasts by the Kentucky Consensus Forecasting Group are conservative and that actual receipts typically are higher than the forecast, with surpluses rolling into subsequent budgets. The long-term funding projections show a continued decline in tobacco settlement funds driven by reduced cigarette consumption and the absence of revenue from vaping.

Representative King praised KOAP for using social media to promote its work.

Senator Webb raised concerns about large-animal veterinary funding, and requested additional details on the location, quantity, and sustainability of mobile clinics versus brick-and-mortar facilities. She also requested a map and ongoing data to assess regional needs and whether assistance remains appropriate. Senator Webb additionally questioned whether some urban projects could be self-sustaining or if they would require ongoing subsidies, which is relevant to a broader discussion about funded projects transitioning away from reliance on certain subsidies.

In response to Senator Webb, Mr. McCloskey stated the Kentucky Center for Agriculture and Rural Development (KCARD) previously received 100% of its funding from the KADB, but currently receives only 30% of its funding from the KADB, with the remainder of funds secured through the United States Department of Agriculture. Mr. Reed noted the mentorship component tied to KCARD loans and stated he will provide mapping of where funds have been deployed for large-animal veterinarians and the processes used to monitor progress and regional reach.

Representative Roarx announced an upcoming trip to the Netherlands to consult with its foreign agriculture service and sought input on questions or resources to bring back to Kentucky. Representative Roarx also highlighted funding challenges related to extension versus conservation districts and suggested exploring a broadened permitting framework for farmers markets to accommodate hot meals and Kentucky Proud products. The broadened permitting framework should maintain safety and integrity standards and explore partnerships to share resources.

In response to Representative Roarx, Mr. McCloskey stated Grown Up Harvest Grocery, Inc. was considered for a grant, but was ultimately denied due to insufficient working capital and the need for 6 months operating funds. Alvio's Cuban Meats had previously received a forgivable loan, but needed to transition to KAFC funding.

Representative Dossett thanked the KAFB for the grain safety grant for the local fire departments in Trenton and Elkton, and emphasized the ongoing value of the board's decision that translated into safety improvements.

Adjournment

There being no further business, the meeting was adjourned.