

TOBACCO SETTLEMENT AGREEMENT FUND OVERSIGHT COMMITTEE

Minutes of the 6th Meeting of the 2018 Interim

October 3, 2018

Call to Order and Roll Call

The 6th meeting of the Tobacco Settlement Agreement Fund Oversight Committee was held on Wednesday, October 3, 2018, at 10:00 AM, in Room 129 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 Stephen Meredith, Dennis Parrett, and Robin L. Webb; Representatives Kim King, Brandon Reed, and Dean Schamore.

Guests: Warren Beeler, Executive Director, Governor's Office of Agricultural Policy (GOAP); Bill McCloskey, Deputy Executive Director, GOAP; B. Mark Evers, M.D., Director, University of Kentucky Markey Cancer Center (MCC); and Jason Chesney, M.D., Ph.D., Director, University of Louisville James Graham Brown Cancer Center (JGBCC).

LRC Staff: Stefan Kasacavage, Tanya Monsanto, Nathan Smith, and Susan Spoonamore.

Governor's Office of Agricultural Policy Report

Warren Beeler discussed his schedule for the months of September through November.

In response to a question from Senator Meredith, Mr. Beeler stated GOAP is still in discussion with Kroger regarding dairy farmers. There are new projects involving cheese, butter, and yogurt that will increase profits. The Trump Administration added dairy to the new trade agreement that replaced the North American Free Trade Agreement. The problem is that dairy has a quota system in Canada.

In response to a question from Representative King, Mr. Beeler stated that border fences and electronic tags are needed to enclose grazing cattle. The issue is that broadband is required.

In response to a question from Senator Meredith, Mr. Beeler stated that grape and wine production is a growing industry.

Bill McCloskey described the Agricultural Development Board's projects for September under the program. Mr. McCloskey highlighted programs including the County Agricultural Investment Program (CAIP), Deceased Farm Animal Removal Program, Next Generation Beginning Farmer, Shared-use Equipment, and Youth Agriculture Incentives Program.

Requested program amendments discussed included:

- Clinton County Farm Bureau Federation requested an additional \$90,000 in Clinton County funds for CAIP. The board recommended approval, which would bring the program total to \$192,000.
- Mercer County Conservation District requested an additional \$20,711 in Mercer County funds for CAIP. The board recommended approval, which would bring the program total to \$188,764.

Projects discussed included:

- The Kentucky Department of Agriculture was approved for \$280,000 in state funds to be divided evenly across two years to support the efforts of the Kentucky Grape and Wine Council.
- The Greenup County Fiscal Court was approved for \$3,000 in Greenup County funds for agricultural building improvements at the Greenup County Fairgrounds.
- The Kentucky Department of Agriculture was approved for \$2,908,425 in state funds to continue initiatives of the state's official agriculture marketing and promotion program, Kentucky Proud.

University of Kentucky Markey Cancer Center

B. Mark Evers, M.D., stated that lung cancer accounts for 35 percent of total cancer deaths in Kentucky, compared to 28 percent in the United States. In Kentucky, more than 24 percent of adults use tobacco, but the number of adults using tobacco has decreased the last several years. Annual health care costs attributed to tobacco use are \$1.9 billion, and productivity losses account for \$2.8 billion.

The MCC mission is to reduce cancer mortality through cancer research, treatment, education, and community engagement with a particular focus on the underserved population of Appalachian Kentucky. In the next 5 to 10 years, MCC wants to reduce the cancer mortality rate by 50 percent.

The Kentucky Lung Cancer Research Program has a significant economic impact as a result of dedicated funding support that leverages \$11.34 per dollar invested. The total economic impact is \$707.4 million, 5,426 jobs, and \$24 million in state and local tax

revenue. Due to the National Cancer Institute designation, there has been an increase in funding from \$28.4 million in 2012 to \$39.7 million in 2018.

There are 20 MCC affiliate network sites and six research network sites. The MCC directly or indirectly cares for 59 percent of all new cancer cases in Kentucky.

The Kentucky Clinical Trials Network was established to increase access to relevant research and serve Kentucky communities. There are 4,273 participants in clinical trials.

There are highly effective efforts to improve the health of Kentuckians. About 34 percent of the population is covered by statewide smoke-free acts. The Cigarette Excise Tax in Kentucky is below the national average of \$1.72 and should be increased. The smoking prevalence would decrease as the excise tax increases.

In response to a question from Senator Webb, Dr. Evers stated that affiliate networks are hospitals that partner with MCC. There are efforts to reduce the number of former tobacco users who utilize vaping because vaping is not considered a safe alternative to smoking.

University of Louisville James Graham Brown Cancer Center

Dr. Chesney, M.D., Ph.D., stated that in Kentucky, 35 percent of cancer deaths are related to lung cancer and 119,000 youths die prematurely. Each year there are approximately 5,000 new cases of lung cancer and 9,000 deaths from smoking.

The JGBCC was founded in 1981 by the people of Louisville in response to the growing cancer crisis in Kentucky. Its mission is to reduce cancer-related suffering and deaths locally and globally. It has a national reputation for the discovery of novel cancer drugs and testing of immunotherapeutics. Its approach in reducing lung cancer-related deaths is prevention, early detection, pre-clinical therapeutics, and clinical therapeutics.

The impact of a \$2 million investment in tobacco settlement funds includes an investment of \$14.5 million in awarded grant funding for cancer research resulting in an economic impact of \$38 million, development of a nationally recognized clinical trials program, publishing of peer-reviewed cancer research articles, securing five patents related to cancer treatment, and trials of test agents that are saving the lives of cancer patients.

The next meeting will be November 16, 2018. Documents distributed during the meeting are available in the LRC Library and at www.lrc.ky.gov.

There being no further business, the meeting was adjourned.