

TOBACCO SETTLEMENT AGREEMENT FUND OVERSIGHT COMMITTEE

Minutes of the 6th Meeting of the 2021 Interim

August 18, 2021

Call to Order and Roll Call

The 6th meeting of the Tobacco Settlement Agreement Fund Oversight Committee was held on Wednesday, August 18, 2021, 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 Paul Hornback, Dennis Parrett, Robin L. Webb, and Whitney Westerfield; 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; Paulette Akers, Director, Division of Conversation, Department for Natural Resources, Energy and Environment Cabinet; and Ellen H. Cartmell, Tobacco Prevention and Cessation Program Manager, Kentucky Department for Public Health, Cabinet for Health and Family Services.

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

Kentucky Office of Agricultural Policy Report

Brian Lacefield stated there has been a resignation from the Agricultural Finance Corporation and Commissioner Quarles has appointed a new member, Dan Flanagan.

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

The requested program amendments discussed included:

- Caldwell/Lyon Counties Cattlemen's Association requested an additional \$29,888 in Caldwell County funds for CAIP. The board recommended approval, which would bring the program total to \$123,678.

- Taylor County Cattlemen’s Association requested an additional \$104,000 in Taylor County funds for CAIP. The board recommended approval, which would bring the program total to \$230,334.
- Kenton County Farm Bureau requested an additional \$59,797 in Kenton County funds for CAIP. The board recommended approval, which would bring the program total to \$124,797.
- Clark County Conservation District requested an additional \$25,000 in Clark County funds for CAIP. The board recommended approval, which would bring the program total to \$175,000.
- Meade County Cattlemen’s Association requested an additional \$13,620 in Meade County funds for CAIP. The board recommended approval, which would bring the program total to \$82,501.

The projects discussed included:

- Dowdy’s Custom Meat Processing LLC was approved for up to \$250,000 in state funds, as a forgivable loan, to renovate its existing processing facilities to become United States Department of Agriculture-certified and to purchase processing equipment. This project is a Meat Processing Investment Program Level 3 in Graves County.
- RedLeaf Biologics, Inc was approved for up to \$485,020 in state funds, as a direct loan, for the construction of a commercial pilot processing facility and to purchase a harvester for red sorghum used to produce unique botanical extracts.
- Dave Fair (Fair’s Custom Meat Processing) was approved for up to \$2,494 in state funds to purchase a dual chamber vacuum. This will be a Meat Processing Investment Program Level 2 Project in Grant County.
- J. Anderson Farms was approved for up to \$12,335 in Pulaski County funds for a feasibility study to look at the potential impact of a cull cow processing plant in southern Kentucky.
- Lincoln County Fiscal Court was approved for up to \$32,441 in county funds for a Dodge Ram 5500 diesel truck with hydraulic bed for the county’s deceased animal removal service.
- Christian County Agricultural Extension Foundation, Inc. was approved for up to \$15,000 in Christian County funds for a commercial kitchen.
- Hindman Settlement School was approved for up to \$5,445 in Knott County funds to expand the Farmers Market.

Presentation from the Division of Conservation on the Usage of Tobacco Settlement Funds

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.

There are currently \$4,096,088 in unobligated funds, which will be available in January 2022. The cut off for Fiscal Year 2021 funding is November 15, 2021.

In response to Representative King, Ms. Akers stated there is no general fund allocation for the cost share program.

In response to Senator Webb, Ms. Akers stated livestock and manure-related projects should be prioritized; however, fencing, water pipelines and tanks, and heavy use area improvement projects are frequently funded.

Kentucky Tobacco Prevention and Cessation Program

Ellen H. Cartmell stated the Tobacco Prevention and Cessation Program is funded by the Master Settlement funds and two grants from the Centers for Disease Control and Prevention (CDC). In fiscal year 2021 and 2022, there was an allocation of \$2 million each year, which was a 43 percent decrease from previous funding levels. The largest portion of the funding goes directly to local health departments.

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. Smoking is estimated to cost Kentucky \$1.92 billion in direct health care costs. According to the CDC, for every \$1 invested in comprehensive tobacco control programs, Kentucky will get a \$55 return on investment.

There are two evidence-based and proven campaigns tested in focus groups with Kentucky teens: Down and Dirty and Behind the Haze. The Down and Dirty campaign was cut due to the decreased appropriation. There is not enough funding to implement every strategy that works, nor to fund every community in need.

There being no further business, the meeting was adjourned.