

TOBACCO SETTLEMENT AGREEMENT FUND OVERSIGHT COMMITTEE

Minutes

October 12, 2023

Call to Order and Roll Call

The 6th meeting of the Tobacco Settlement Agreement Fund Oversight Committee was held on October 12, 2023, 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 Julie Raque Adams, and Matthew Deneen; Representatives George Brown Jr., Kim King, Phillip Pratt, Brandon Reed, and Rachel Roarx.

Guests: Brian Lacefield, Executive Director, Kentucky Office of Agricultural Policy (KOAP); Bill McCloskey, Deputy Executive Director, KOAP; Andrea Day, Director, Division of Child Care, Department for Community Based Services (DCBS), Cabinet for Health and Family Services (CHFS); Holly LaFavers, Branch Manager, DCBS, CHFS; Laura Begin, Staff Assistant and Legislative Liaison, DCBS, CHFS; and Dr. Julie Watts McKee, State Dental Director, Department for Public Health, CHFS.

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

Approval of minutes for the meeting of September 14, 2023

A motion to approve the minutes was made by Representative Pratt and seconded by Senator Deneen. The minutes were approved by voice vote.

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

Brian Lacefield gave a brief overview of various events and site visits that he attended over the previous month and provided a loan update for the Kentucky Agricultural Finance Corporation.

Mr. Lacefield congratulated Bill McCloskey on being Vice President-elect of the National Council of State Agriculture Finance Programs.

Bill McCloskey described the Agricultural Development Board's projects under the program for August 2023. Mr. McCloskey highlighted programs including the County Agricultural Investment Program (CAIP), Deceased Farm Animal Removal, and the Youth Agriculture Incentives Program (YAIP).

Marshall County Conservation District was denied funding for CAIP due to the Marshall County Agricultural Development Council assigning a low priority and not committing county funds to the application.

The requested program amendments discussed included:

- Jessamine County Future Farmers of America Alumni Association requested an additional \$100,000 in Jessamine County funds for CAIP. The board recommended approval, which would bring the program total to \$200,000.

The projects discussed included:

- Goode's Riverside Creamery, LLC was approved for \$71,000 in multi-county funds to support the construction of a creamery with retail space.
- Dr. Madelyn Orem, DVM was approved for \$100,000 in multi-county funds to purchase 10 percent of the Todd County Animal Clinic.
- Todd County Animal Clinic, PLLC was approved for \$100,000 in multi-county and state funds to aid in the purchase of large animal equipment.
- Pulaski County Board of Education was approved for \$200,000 in Pulaski County funds to construct an agriculture complex.
- Lincoln County Fiscal Court was approved for \$7,500 in Lincoln County funds to aid in the construction of a new farmers market pavilion.
- 3 Stone Farms, LLC was approved for \$30,000 in multi-county funds to aid in the construction of a confinement feeding barn.

In response to Co-Chair Dossett, Mr. Lacefield agreed that it is physically demanding to be a large animal veterinarian. Mr. McCloskey stated CAIP offers cattle-handling facilities upgrades, which improves the safety of caring for large animals.

Co-Chair Dossett commended Dr. Madelyn Orem for purchasing a percentage of the Todd County Animal Clinic.

Early Childhood Development

Andrea Day stated that 25 percent of the Tobacco Master Settlement Agreement Fund (MSA) is allocated to improve and promote early childhood development for the children of the Commonwealth. The Cabinet for Health and Family Services (CHFS) utilizes dollars from the MSA for its Child Care and Development Fund (CCDF) and Quality Rating Improvement System (QRIS). The CCDF promotes success for children, and employment and economic security for parents, by ensuring stable, high-quality child care. The fund provides child care subsidies for 21,322 families and 36,910 children. The MSA serves as the required state matching funds for the federal CCDF funding. Kentucky All STARS is Kentucky's five-star QRIS for early childhood education programs. Childcare programs receiving public assistance must participate in the All STARS program. Thirty-five percent of providers in the program are considered high quality. MSA dollars support the professional development and continuing education of childcare workers through scholarships, grants, and Milestone Achievement awards.

In response to Co-Chair Mays Bledsoe, Ms. Day stated that she was unsure of the initial intention for MSA allocations to the Cabinet for Health and Family Services when the fund was created in 2000. Training and technical assistance will improve providers' quality ratings within the All STARS program.

In response to Representative King, Ms. Day stated that she would provide the amount utilized for matching funds.

In response to Senator Raque Adams, Ms. Day stated that the credentialing process for a new childcare center may take 30 to 60 days. She stated she would confirm the timeframe for credentialing and eligibility for participants.

In response to Co-Chair Dossett, Ms. Day stated that the CHFS Department for Community Based Services Division for Family Support staff works with families and would be better able to answer questions regarding personnel who provide those services.

Senator Deneen stated his concerns about duplication of funds and if the current allocations of MSA dollars for early childhood development are still an appropriate source of funding as opposed to the general fund.

Holly LaFavers stated that the Health Access Nurturing Development Services (HANDS) program is a voluntary home visitation program administered by local health departments, utilizing \$7,000,000 of MSA funds for the program's Medicaid match. In FY2023, 3,696 families were served. The Early Childhood Mental Health (ECMH) program provides services for the mental health needs of young children and their families. With the support of \$900,000 in annual MSA funds, ECMH billed 3,997 hours of service to children and families, provided 2,755 hours in training to child-serving agencies, and trained 1,336 early care and education staff. The Kentucky Child Care Health Consultation for a Healthy Start in Child Care (CCHC) provides consultation and technical assistance on health, safety, and nutrition for children ages birth to five years old to child care providers. The program receives \$900,000 of MSA funds, supporting 1,016 training hours and 2,189 hours of consultation to providers.

Dr. Julie Watts McKee stated that the Oral Health Program in the Department for Public Health receives \$2.33 million in MSA funds. Various projects and programs are supported with these dollars, including fluoride varnish distribution, provision of pediatric equipment, provision of fluoridation equipment to smaller municipal water plants, expansion of Public Health Dental hygiene teams, etc.

In response to Representative King, Ms. LaFavers stated that the HANDS program is provided in all 120 counties. The program lost a significant number of participants during the COVID-19 pandemic and is rebuilding rapport with families.

In response to Co-Chair Mays Bledsoe, Dr. Watts McKee stated that a health department can participate in fluoride varnish distribution if it wants to. She will provide a list of the 38 health departments participating.

Co-Chair Mays Bledsoe commended CHFS for the programs they provide, but would like to reevaluate whether MSA funds are now an appropriate source of funding.

Adjournment

There being no further business, the meeting was adjourned.