

TOBACCO SETTLEMENT AGREEMENT FUND OVERSIGHT COMMITTEE

Minutes

November 14, 2024

Call to Order and Roll Call

The sixth meeting of the Tobacco Settlement Agreement Fund Oversight Committee was held on November 14, 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: Representative Myron Dossett, Co-Chair; Senators Julie Raque Adams, Gary Boswell, and Matthew Deneen; Representatives George Brown Jr., Kim King, Shawn McPherson, Phillip Pratt, and Rachel Roarx.

Guests: Brandon Reed, Executive Director, Kentucky Office of Agricultural Policy (KOAP); Bill McCloskey, Deputy Executive Director, KOAP; Hannah Johnson, Board and Special Events Manager, KOAP; Lynn Baker, Executive Director, Governor's Office of Early Childhood (GOEC); Megan Greenwell, Project Specialist, GOEC; Jessica Williamson, General Counsel, Education and Labor Cabinet; Sarah Johnson, Division Director, Developmental and Intellectual Disabilities, Department for Behavioral Health, Cabinet for Health and Family Services (CHFS); Elizabeth Goode, Division Director, Department for Public Health (DPH), CHFS; Holly LaFavers, Branch Manager, DPH, CHFS; Andrea Day, Division Director, Department for Community Based Services, CHFS.

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

Approval of Minutes of the September 12, 2024 Meeting

A motion to approve the September meeting minutes was made by Senator Raque Adams and seconded by Senator Deneen. 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 (KOAP), stated the KOAP annual report will be delivered to all members. The report contains updates on activities and achievements in agriculture and related sectors.

In September, the Kentucky Agriculture Development Board (KADB) approved \$2.4 million in funds and the Kentucky Agricultural Finance Corporation (KAFC) approved \$2.7 million in funds. In October, KADB approved \$1 million in funds and KAFC approved \$2.9 million in funds.

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

- Logan Premium Meats and Processing, LLC approved for \$500,000 in state funds as a forgivable loan, and \$500,000 in a KADF participation loan. The project supports the expansion of its facility to increase its harvest and holding capacity.
- Wonderlich Veterinary Services, PLLC approved for \$15,347 in Shelby County and state funds to purchase ultrasound equipment as part of the Large and Food Animal Veterinary Incentives Program.
- University of Kentucky Research Foundation approved for \$176,073 in state funds to support the Viticulture and Enology Extension Program.
- Legacy Mobile Veterinary Services approved for \$7,205 in multi-county funds and \$36,025 in state funds to purchase x-ray equipment, a generator, and an ultrasound machine as part of the Large and Food Animal Veterinarian Incentives Program.
- Skinner Farms, LLC approved for \$10,000 in Shelby County funds and \$6,175 in state funds to purchase a walk-in freezer.
- Alvios Cuban Meats, LLLP approved for \$2,243 in state funds for a third-party audit as part of the Food Safety and Efficiency Incentives Program.

Hannah Johnson, Board and Special Events Manager, KOAP, stated the recent 25th anniversary of Women in Agriculture celebration brought together over 176 female participants. The event featured insights into available programs and educational opportunities for women in agriculture.

In response to Representative Roarx, Ms. Johnson stated the Women in Agriculture event focused on available programs and resources for women. The Kentucky Center for Agriculture and Rural Development was at the event assisting with business plans. There were also roundtable discussions with Kentucky Farm Bureau, the Kentucky Department of Agriculture (KDA), and Raising Hope.

In response to Senator Boswell, Mr. Reed stated KDA partners with the Kentucky Hospital Association to align agricultural policies with public health initiatives to benefit the overall well-being of the community.

Early Childhood Advisory Council

Lynn Baker, Executive Director, Governor's Office of Early Childhood (GOEC), stated the Early Childhood Advisory Council (ECAC) was established in 2011 to provide a comprehensive and sustainable early childhood system for children that were prenatal to age five to establish a strong foundation for their future development. Ms. Baker provided an overview of the ECAC's accomplishments, activities, and 2025 goals.

In response to Representative Roarx, Ms. Baker stated funding for ECAC is from the Tobacco Master Settlement and grants.

In response to Senator Boswell, Ms. Greenwell stated GOEC is appropriated \$1.2 million annually and there is a carryforward amount from the previous year.

Annual Update from the Cabinet for Health and Family Services

Elizabeth Goode, Division Director, Department for Public Health (DPH), Cabinet for Health and Family Services (CHFS), provided an overview of the cabinet's programs funded with tobacco settlement monies including: vaping prevention, lung cancer screening initiatives, and early childhood oral health programs.

Holly LaFavers, Branch Manager, DPH, CHFS, provided an overview of the Health Access Nurturing Development Services (HANDS) and early childhood mental health programs.

Sarah Johnson, Division Director, Developmental and Intellectual Disabilities, Department for Behavioral Health, CHFS, provided an overview of the Early Childhood Consultant program, KY-Moms Maternal Assistance Towards Recovery program, St. Elizabeth Baby Steps program, Haven 4 Change, Chrysalis House, Independence House, and the SKY Hope Women's Recovery Center.

Andrea Day, Division Director, Department for Community Based Services, CHFS, stated most of the Tobacco Master Settlement funds that her division receives for early childhood development go to the Kentucky All Stars program. The goal is to enhance child care quality through a five-tier rating system and improvement framework. Approximately, 34 percent of child care programs in Kentucky are classified as high quality, which indicates a decrease from previous years. CHFS plans to revise the

Kentucky All Stars regulations next year by encouraging lower-rated providers to evaluate their standards and invest in staff development.

Fifty counties in Kentucky are considered childcare deserts so there is a need for expanding home-based child care options to cater to families in rural areas.

Kentucky was the first state to implement the childcare income exclusion, which allows those working in regulated child care to have their household income excluded from eligibility assessments for child care assistance.

Representative Dossett expressed concern about the mental health struggles of children and teenagers and requested data from the Department of Behavioral Health regarding the possible increase in access to mental health services.

In response to Senator Deneen, Ms. Day stated there has been a positive trend in the enrollment of individuals seeking child care credentials. Careers in early childhood are driven by passion rather than financial gain, which makes financial incentives necessary to attract talent.

Representative McPherson expressed concern regarding the sustainability of the child care industry if funding shifts toward public school systems for preschool programs instead of supporting preschool at private day care providers. Private child care providers could face challenges if funding or enrollment structures change.

In response to Representative McPherson, Ms. Day stated a public-private partnership is a potential solution to create a balanced approach that meets the needs of families while preserving the operational viability of private child care providers.

Adjournment

There being no further business, the meeting was adjourned.