

# **TOBACCO SETTLEMENT AGREEMENT FUND OVERSIGHT COMMITTEE**

## **Minutes**

**December 19, 2024**

### **Call to Order and Roll Call**

The seventh meeting of the Tobacco Settlement Agreement Fund Oversight Committee was held on December 19, 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: Senator Amanda Mays Bledsoe, Co-Chair; Representative Myron Dossett, Co-Chair; Senators Gary Boswell, Matthew Deneen, and Robin L. Webb; 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; Jason Chesney, M.D., Ph.D., Director and Chief Administrative Officer, University of Louisville James Graham Brown Cancer Center; and B. Mark Evers, M.D., Director, University of Kentucky Markey Cancer Center.

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

### **Approval of minutes for the meeting of November 14, 2024**

A motion to approve the November meeting minutes was made by Representative Roarx and seconded by Representative McPherson. Minutes were approved by voice vote.

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

Brandon Reed, Executive Director, KOAP, provided a brief overview of Commissioner Shell's activities for the previous month. A new partnership was formed with Appalachian Regional Hospital with a focus on furthering the "Food is Medicine" campaign.

In November, the Kentucky Agricultural Development Board (KADB) approved \$4.8 million in funds and the Kentucky Agricultural Finance Corporation (KAFC) approved \$3.4 million in funds.

Bill McCloskey, Deputy Executive Director, KOAP, stated the beginning farmer loan program had 14 applications. Loans available under the program are low-interest or offered at below-market rates.

The KAFC's revolving loan program has grown to \$145 million. It generates an average of \$1.5 million in principal and interest repayments every month.

Mr. McCloskey highlighted the following projects approved by KADB:

- The Kentucky Horticulture Council was approved for up to \$2,061,362 in state funds to expand technical assistance, education, research, market analysis, and market access for Kentucky's growing horticulture industry.
- Keeneland Sustainability, LLC was approved for up to \$1,000,000 in the form of a KADF participation loan to build a gasification system to process muck into biochar.
- Jingleheim Ranch and Gardens, LLC was approved for multi-county funds matched by state funds with an option of a KADF participation loan not to exceed \$89,500. The funds will be used to purchase and update a facility to become a sourdough bakery.

In response to Senator Boswell, Mr. Reed stated the beginning farmer program in Breckinridge County was approved for up to \$250,000 in funds, and the funds can be used to purchase land. The beginning farmer program is limited to new farmers entering the agriculture industry, but there are other programs available for established farmers. Mr. Reed also stated that farmers pay reduced property taxes compared to non-agricultural land.

In response to Senator Webb, Mr. McCloskey stated Keeneland Sustainability, LLC is owned by Keeneland. The funding request for Keeneland Sustainability, LLC was originally in the form of a grant; however, KADB approved the request in the form of a loan. Mr. Reed stated Keeneland has invested in the project. The project will impact central Kentucky farmers, diversify the KADB portfolio, and support the horse industry. Mr. Reed stated KADB did not deny any funding requests in the month of November.

In response to Representative McPherson, Mr. McCloskey stated there has been significant research into biochar, which has been shown to increase soil fertility and improve water retention. There are financial incentives from the United States

Department of Agriculture Natural Resources Conservation Service to support gasification projects.

In response to Senator Boswell, Mr. McCloskey stated biochar is considered a soil amendment and does not have an offensive odor. Mr. McCloskey stated the total project cost for Jingleheim Ranch and Gardens, LLC is \$179,000, and they are investing \$89,500. The remainder is a combination of state and multi-county funds. Mr. McCloskey stated the vehicles purchased for veterinarian use are encumbered with five-year liens.

In response to Representative Dossett, Mr. Reed stated there is a dairy operation looking to locate in western Kentucky.

In response to Representative McPherson, Mr. Reed stated KADB has not received any funding requests regarding the planned construction of a fertilizer plant in Hopkinsville.

### **Update from the University of Louisville James Graham Brown Cancer Center**

Jason Chesney, M.D., Ph.D., Director and Chief Administrative Officer, University of Louisville James Graham Brown Cancer Center (BCC), stated Kentucky ranks second in the country in cancer deaths. The funding BCC receives from the Master Settlement Agreement (MSA) makes up 10 percent of the academic budget. BCC receives \$4.4 million from the state each biennium with \$3.1 from the MSA. The University of Kentucky Markey Cancer Center (MCC) also receives \$4.4 million.

The impact of cancer in Kentucky is significant, with over 50,000 deaths in the last five years, compared to 19,000 deaths from Covid-19. Many Kentuckians lack access to good cancer care, with only two academic cancer centers in the state. Also, the current spending of \$8.8 million to tackle a \$5.8 billion problem is insufficient.

BCC is building a Center for Rural Cancer Education Research in Bullitt County, which will focus on cancer outreach, education, and access to clinical trials for rural Kentuckians throughout southern, central, and western Kentucky.

Researchers at BCC are working on cancer immunology and immunotherapy. BCC recently received Food and Drug Administration (FDA) approval for tumor-infiltrating lymphocytes (TILs) in melanoma, and ongoing testing in lung, head and neck, and cervical cancer. Genetically engineered TILs, which are immune cells isolated from a patient's own tumor, can be put back into the patient to fight their cancer. A trial was

conducted with 153 patients, and 31 percent of patients had a successful response and are now long-term survivors.

Arkansas has become a leader in medical marijuana, and by taxing it at 3 percent and appropriating \$50 million from the tax revenue to cancer research, it could be a model for Kentucky to follow.

Dr. Chesney is requesting a \$10 million annual increase in funding to the two academic cancer centers. The goal is to drop to fifth in cancer deaths in the United States in the next five years and to drop the cancer death rate by 50 percent in the next 10 years.

In response to Senator Boswell, Dr. Chesney stated cancer rates in Kentucky are attributed to lack of healthcare access rather than just smoking, obesity, or bad nutrition. Other states with similar statistics have lower cancer death rates. Increasing screenings for smokers is necessary, as not everyone will quit smoking, and low-dose chest scans have saved lives. BCC plans to use state funds to buy a mobile screening van.

In response to Senator Webb, Dr. Chesney stated most medical marijuana is consumed in gummy form, so there is no risk of developing lung cancer or chronic obstructive pulmonary disease. The nicotine in vaping products is not the primary cause of problems, but rather the preservatives used, with marijuana vaping being one of the worst in terms of long-term issues.

### **Update from the University of Kentucky Markey Cancer Center**

B. Mark Evers, M.D., Director, University of Kentucky Markey Cancer Center (MCC), stated 97 percent of their patients live in Kentucky. Fifty percent of patients are from eastern Kentucky, which has the worst cancer burden in the state.

MCC achieved a comprehensive National Cancer Institute (NCI) designation in 2023. The comprehensive status increased opportunities for clinical trials and attracted nationally-recognized cancer researchers.

The Lexington Veterans Affairs Health Care System is a new MCC network partner, providing services to 83,000 veterans in Kentucky.

MCC is constructing a new Advanced Ambulatory Care building to consolidate cancer treatment services. The current system requires patients to visit multiple buildings for

different aspects of care. The new building aims to improve the patient experience by providing all necessary services in one location.

An assessment of the impact on lung cancer diagnosis and mortality in Kentucky showed late-stage lung cancer incidence rates have declined 1.7 times faster than the United States' rate. The Appalachian region in Kentucky showed the most dramatic improvement.

A global cancer consortium has been initiated, with partners including Brown University, Mayo Clinic, and international cancer centers in Taiwan, India, Brazil, and Ukraine.

In response to Senator Mays-Bledsoe, Dr. Chesney stated less than 10 percent of heavy smokers are screened for cancer in Kentucky. More lung cancer screenings would reduce the death rate. BCC will have a mobile screening van to travel to areas in Kentucky with poor access to healthcare. Mobile vans will increase access to cancer screenings, but it is essential to determine how to encourage people to use these services. Primary care doctors play a crucial role in promoting cancer screenings, and making it a part of an annual exam would help increase cancer screening rates. Dr. Evers stated training community organizations, including churches, to promote cancer screenings can be an effective way to increase screening rates. Medicaid expansion in Kentucky has helped increase access to cancer screenings.

In response to Senator Webb, Dr. Evers stated the ovarian cancer screening program is planning to expand to other communities including the King's Daughter area with the help of state funds and philanthropy.

Representative Brown commended the presentations on the use of the MSA funds and suggested the state should do better in making the public aware of the results and impact of the MSA funds.

In response to Senator Boswell, Dr. Chesney stated BCC has an academic budget and there is no profit. Dr. Evers stated philanthropy has increased, which has allowed BCC and MCC to improve patient care.

In response to Representative Dossett, Dr. Evers stated he has 30 years of experience as a medical doctor and has seen encouraging results in cancer research in the last decade including cures for some cancers.

## **Adjournment**

There being no further business, the meeting was adjourned.