

TOBACCO SETTLEMENT AGREEMENT FUND OVERSIGHT COMMITTEE

Minutes

February 23, 2026

Call to Order and Roll Call

The first meeting of the Tobacco Settlement Agreement Fund Oversight Committee was held on February 23, 2026, at 1:00 PM in Room 131 of the Capitol Annex. Representative Michael Sarge Pollock, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Jason Howell, Co-Chair; Representative Michael Sarge Pollock, Co-Chair; Senators Keturah J. Herron, Craig Richardson, and Robin L. Webb; and Representatives Myron Dossett, Daniel Fister, Erika Hancock, Kim King, Shawn McPherson, and Rachel Roarx.

Guests: Brandon Reed, Executive Director, Kentucky Office of Agricultural Policy (KOAP); Bill McCloskey, Deputy Executive Director, KOAP; Dale Dobson, Agriculture Safety Director, Kentucky Department of Agriculture (KDA); Van Ingram, Executive Director, Office of Drug Control Policy; Rebecca Norton, Budget Director, Justice and Public Safety Cabinet; Dallas Hurley, Associate Vice President of Policy, Advocacy and Recovery Ready Communities, Volunteers of America Mid-States; Dr. Anyah Hoang-Ansert, Chief Operating Officer, Volunteers of America; Cori Troutman, Director, Division of Fiscal Management, Energy and Environment Cabinet (EEC); Johnna McHugh, Assistant Director, Division of Conservation, EEC; Jake Fouts, Assistant Director II, Office of Administrative Services, Education and Labor Cabinet (ELC); Lynn Baker, Executive Director, Governor's Office of Early Childhood (GOEC), ELC; and Megan Greenwell, Administrative Asst., GOEC, ELC.

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

Approval of minutes for the meeting of December 22, 2025

A motion to approve the December 22, 2025, meeting minutes was made by Representative McPherson and seconded by Senator Richardson. The meeting minutes were approved by voice vote.

Volunteers of America

Dallas Hurley, Associate Vice President of Policy, Advocacy and Recovery Ready Communities, Volunteers of America Mid-States, presented on their restorative justice program, detailing how they utilized tobacco settlement funds to support alternative programs for juvenile offenders in southeastern Kentucky. Dr. Anyah Hoang-Ansert, Chief Operating Officer, Volunteers of America, reported a significant decrease in recidivism rates and highlighted the cost-effectiveness of their approach.

Senator Webb expressed concerns with the program's alignment with the funding criteria for tobacco settlement funds and discussed the program's potential expansion to other counties.

In response to Representative Roarx, Mr. Hurley stated the restorative justice program does align with the funding criteria because the program improves health outcomes and assists with youth development for ages 10 to 18. Mr. Hurley stated, without the tobacco settlement funds, the program would not function in its current form.

In response to Representative McPherson, Mr. Hurley stated the budget for the restorative justice program for the next biennium is \$3 million.

Soil and Water Conservation/Energy and Environment Cabinet

Cori Troutman, Director, Division of Fiscal Management, EEC, discussed their use of tobacco settlement funds for direct aid and cost-share activities aimed at assisting farmers and conservation districts. Johnna McHugh, Assistant Director, Division of Conservation, EEC, provided a breakdown of their budget and explained the process for funding projects, emphasizing the importance of the tobacco settlement funds in supporting agriculture efficiency and environmental protection.

In response to Senator Webb, Ms. Troutman stated they will provide a breakdown of direct-aid by county.

Kentucky Office of Drug Control Policy/Justice & Public Safety Cabinet

Rebecca Norton, Budget Director, Justice and Public Safety Cabinet, outlined their expenditures from tobacco settlement funds and their impact on local substance abuse initiatives. Van Ingram, Executive Director, Office of Drug Control Policy, highlighted the role of Kentucky Agency for Substance Abuse Policy (KY-ASAP) local boards in addressing drug-related issues and the importance of community involvement.

In response to Chair Pollock, Mr. Ingram stated most of the tobacco settlement funds support the KY-ASAP local boards, which are single or multi-county boards.

In response to Representative Roarx, Mr. Ingram stated the Office of Drug Control Policy does provide funds for Volunteers of America Mid-States.

Kentucky Department of Agriculture

Brandon Reed, Executive Director, KOAP, provided an overview of KDA's strategic investments and detailed the financial support provided through the tobacco settlement funds. Mr. Reed discussed the various programs and loans available to farmers, emphasizing the positive return on investment for agriculture in Kentucky. The presentation included statistics on the number of loans issued and the overall impact of these investments.

Bill McCloskey, Deputy Executive Director, KOAP, highlighted the ongoing challenges and opportunities in managing the diminishing tobacco settlement funds while striving to achieve meaningful outcomes for Kentucky agriculture.

Mr. Reed stated KDA manages as a pass-through entity. KDA absorbs administrative costs while distributing funds to organizations like Feeding Kentucky.

Mr. Reed highlighted the launch of the Raising Hope initiative aimed at farmer suicide prevention, which has evolved to address broader health and safety concerns among farmers. Dale Dobson, Agriculture Safety Director, KDA, stated the initiative has allocated significant funds for various programs, including medical supplies and training for emergency responses to farm accidents.

Early Childhood Advisory Council

Jake Fouts, Assistant Director II, Office of Administrative Services, ELC, outlined how the tobacco settlement funds are utilized alongside federal grants to support early childhood development.

Megan Greenwell, Administrative Asst., GOEC, ELC, stated a significant portion of the tobacco settlement funds are directed towards the regional collaborative networks that provide localized services to children and families, particularly in underserved areas. Ms. Greenwell detailed the funding structure, explaining that allocations are based on the number of children under five in each county, particularly those living in poverty.

Ms. Greenwell highlighted the success of mobile classrooms that reach children in areas lacking access to quality early education.

Lynn Baker, Executive Director, GOEC, ELC, provided a brief overview of the apprenticeship program, which began in 2022. Ms. Baker acknowledged they are in the early stages of developing metrics to track the long-term success of apprentices in the workforce. The apprentices are compensated and receive additional incentives from federal sources.

Senator Webb provided a brief overview of the framework for distributing tobacco settlement funds that was established by 2000 RS HB 611.

Chair Pollock added that 50 percent of the tobacco settlement funds support agriculture, 25 percent of the tobacco settlement funds support early childhood, and 25 percent of the tobacco settlement funds support health.

Co-Chair Howell requested additional data from the Early Childhood Advisory Council, including quarterly reports from the regional collaborative networks to evaluate their performance and return on investment, detailed documentation on the cost-sharing arrangements for apprenticeships and the expenditures associated with training programs, and the administrative costs associated with various grants, emphasizing the need for a breakdown of expenditures by fund and the specific roles of staff funded by tobacco settlement funds.

Adjournment

There being no further business, the meeting was adjourned.