

Testimony to the House Finance Subcommittee  
on Agriculture, Development, and Natural Resources  
on behalf of the  
Southern Ohio Agricultural and Community  
Development Foundation  
Don Branson, Executive Director

February 18, 2021

Good morning Chairman Kick, ranking member O'Brien and members of the House Finance Subcommittee on Agriculture, Development, and Natural Resources. I am Don Branson, Executive Director of the Southern Ohio Agricultural & Community Development Foundation (Foundation). Thank you for this time and opportunity to meet with you and discuss our portion of Ohio's Budget Recommendations for FY '22 and '23.

A brief history. The Foundation was created by the 123<sup>rd</sup> General Assembly in 2000 and was charged with the responsibility to provide agricultural, economic and educational assistance to southern Ohio's traditional tobacco-producing counties. The Master Settlement Agreement (MSA) was the unique mechanism that provided funding to achieve those legislative mandates. For the next several years, Ohio received its annual payment and distributions to the various trust funds occurred pursuant to the allocations established under O.R.C 183.02.

In the FY 2008-2009 biennium budget, Ohio securitized its future income stream from the MSA for estimated one-time net proceeds of \$5 billion. Monies were earmarked to finance school construction and a one-time Homestead property tax exemption for seniors. As a result, the Foundation's revenue sources prematurely and abruptly ended 5 years and an estimated \$25M dollars short of original projections. Sound fiscal management by the board coupled with conservative investment practices, which are overseen in conjunction with the Treasurer of State, have allowed the Foundation to continue to make long term strategic investments, albeit at much lower levels.

A recap of these investments includes the following data:

- Approximately \$61M dollars invested in agricultural development projects
- Approximately \$22.5M dollars invested in economic development projects
- More than 2,700 jobs created or retained
- Approximately \$16.2M dollars invested in educational assistance

## Summary

As of June 30, 2020, approximately \$100 million dollars of total investments have leveraged in excess of \$297 million dollars. That is \$397 million dollars of economic activity which has helped to revitalize the southern Ohio region. Economic realities have forced our footprint to be smaller than in years past, but our commitment to our mission remained strong. With the remaining funds, the Foundation will take a targeted approach to invest in opportunities that align themselves with the Foundation's original mission. For the past 20 plus years, we have dedicated ourselves to fulfilling the original legislative mandates set forth by the 123<sup>rd</sup> General Assembly. The economic contribution to southern Ohio has been significant, impactful, and measurable. The budget request before you is to allow the Foundation time to do a final yearly audit, prepare annual reports and all the myriad administrative duties that will be required prior to sunseting.

I want to express my heartfelt appreciation to the legislature for its support the past twenty plus years. Mr. Chairman, members of the committee, thank you for your time. I will be happy to address any questions you may have.