

**Joint Millennium Fund Committee Minutes**  
**Tuesday, November 29, 2005**  
**State Capitol, JFAC Room**

The meeting was called to order at 9:25 am on November 29, 2005 by Co-chair Representative Dennis Lake. Other committee members present were: Co-chair Senator Patti Anne Lodge, Senators Denton Darrington, Dean Cameron, Elliot Werk, Kate Kelly, and Representatives Janice McGeachin, Jim Clark, Margaret Henbest and John Rusche. Also in attendance were Legislative Services staff member Cathy Holland-Smith, Principal Budget Analyst, and Lisa Kauffman, Staff Secretary.

**Co-chair Lake** welcomed everyone to the meeting and proceeded to ask that the minutes from the prior meeting be approved. Senator Darrington made a motion to accept the minutes, and was seconded by Senator Cameron. Approval was unanimous by the committee.

**Co-chair Lake** directed the committee's attention to a letter in their packet from the Attorney General that was written to the Governor. **Co-chair Lake** told the committee that they would not be addressing the issues in the letter since it was not written to the committee but that it may come up during the next session and if so the issues would be addressed at that time.

**Cathy Holland-Smith** gave the committee an overview of the agenda and reviewed the scoring system that will be used for the applications. The application guidelines show the three categories of use for the Fund, which are: Tobacco Cessation and Prevention, Substance Abuse Cessation or Prevention, or Tobacco or Substance Abuse Related Disease Management. These are the categories and guidelines that the committee will use to score each applicant. She also brought up the possibility of a committee discussion on how to constitutionally endow the Millennium Fund. She reviewed the studies that were previously completed on best practices, best results, and likely outcomes and made those available to the committee.

**Representative Henbest** asked for clarification of "provider education". **Ms. Holland-Smith** replied that it refers to all clinical staff, not just persons who teach smoking cessation but any clinical person who educates the patient about the risks of tobacco.

**Senator Lodge** asked if the research showed how clinicians were trained in effective strategies and how that was being accomplished. **Ms. Holland-Smith** replied that the research showed that nationally only about 15% of providers actually interact with their patients and speak to them on a regular basis about tobacco and the risks involved.

**Representative McGeachin** asked about where it said that educational campaigns were more effective than mass stop smoking campaigns, what components were in that study? **Ms. Holland-Smith** referred her to page 13 of the handout entitled "Recommendations Regarding Interventions" which speaks to mass media education and goes into detail about the different types of education when combined with other types of interventions that were the most effective.

**Representative Clark** asked what the total dollar amount available was for FY 2007. Ms. Holland-Smith replied that the total amount was \$1,275,000 for fiscal year 2007. He then asked about the letter that came from the Attorney General's office regarding a request for additional funds to support pending tobacco litigation. The last sentence in that letter stated 'this matter will likely come up before the committee during the session if it is included in the Governor's Recommendation.' **Ms. Holland-Smith** replied that the Attorney General had not yet requested the funding in his budget request. It will likely come before this committee is if it is included in the Governor's Recommendation because this committee responds to that recommendation and votes on it. **Representative Lake** then stated that the bottom line is that the Attorney General wrote the letter but did not ask for the money in his budget request. **Senator Cameron** did remind the committee that the Attorney General does have the right to amend his budget request up until the time the Joint Finance Appropriations Committee sets that budget.

**Senator Werk** asked **Ms. Holland-Smith** where the best bang for our buck would be to put this money and wondered if it would be in targeting our youth with school based deterrent or cessation programs. Ms. Holland-Smith replied that targeting youths and preventing them from starting to smoke means fewer adults down the road who will need treatment for cessation.

**Brad Hoaglun**, Governmental Affairs Director for the American Cancer Society and Vice Chairman for the Coalition for a Healthy Idaho, and **SueAnne Reese**, who is on the board for the Coalition for a Healthy Idaho, and Governmental Affairs Director for the American Heart Association, updated the committee on some statistics. The Coalition is a group of over 60 organizations and individuals statewide whose mission is to reduce the impact of tobacco on Idahoans. They are not requesting any money from the Millennium Fund but are here to share some statistics that will help decide where the money should be allocated.

A national survey done in 2002 showed that 38% of the Medicaid eligible here in Idaho report that they are cigarette smokers. Most of those people are in a lower income bracket and have lower educational levels and in that group there is a higher smoking rate. Nearly 4 Idahoans die every day from tobacco use, which is approximately 1,400 a year. In Idaho, nearly 3,400 youths yearly become daily smokers. Smoking costs approximately \$77M in Medicaid each year, and \$294M in direct health care costs, which comes out to \$519 dollars per year in state and

federal income tax on each household. Regarding cigarette tax, research has shown that for every 10% increase in the price of cigarettes there's a 3-5% decline in cigarette purchases. Surrounding states have higher taxes than Idaho, even after ours was raised to .57 a pack. Nearly 64% of cigarette tax will be used for the Capitol restoration and 1% is allocated to the Cancer Control Account which is then split between them and the Women's Health Check for the Breast and Cervical Cancer Program.

**Representative Henbest** asked if the 3,400 new youth smokers are trending up or down. **Mr. Hoaglund** replied that it's trending down, the number last year was 3,900.

**SueAnne Reese** reviewed the nine components for the Comprehensive Tobacco Prevention Program which are as follows: Community Tobacco Prevention Programs, Chronic Disease Programs, School Prevention Programs, Enforcement of Tobacco Control Policies, Statewide Programs, Counter-marketing Programs, Cessation Programs, Monitoring and Evaluation System, and Administrative and Managerial System.

**Melanie Curtis**, Executive Director, Supportive Housing and Innovative Partnerships, Inc (SHIP) presented their program, which is a community-based safe and sober housing low-cost alternative to residential substance use and addiction treatment programs. SHIP provides Alcohol and Drug Free (ADF) housing, which complements substance use addiction treatment programs, mental health services, vocational rehabilitation services, community corrections, and mental health and drug courts. SHIP provides a 'social model' recovery program that provides an economical alternative to residential-based substance use treatment programs. In conjunction with out patient treatment and adjunct health and social services, affordable ADF housing increasingly is viewed as a viable alternative. They currently have two housing programs available, the Anchor House and the Clean and Sober Housing/Oxford. SHIP is requesting \$47, 300 to fund the next phase of the housing programs which will include an Alcohol and Drug Free Community/Complex.

**Representative McGeachin** asked who the target audience for this program is. Ms. Curtis replied that the target is anyone who has an addiction and wants to remain clean and sober. Currently a large number of participants are from the prison system but they are trying to broaden the scope to allow anyone in who wants to participate.

**Jeanne Bock**, Director, Panhandle Health District, is requesting \$515,000 for the Smoking Cessation Program. This program is available to any Idaho citizen with the emphasis on youth and pregnant women. The program includes strong evaluation measures, including, but not limited to, the number of programs funded, the number of participants and the quit rate. They are currently offering several different tobacco cessation programs in conjunction with different

partnership including local hospitals, Juvenile Corrections, psychologists, local colleges and the Health Districts.

In fiscal year 2005 they served 2,097 clients, of which 1,289 completed a cessation program, 810 quit smoking, and 783 reduced the number of cigarettes they smoked daily. They have follow-up programs which include a two month check-up to track the success to see if the clients are still smoke –free.

**Co-chair Lodge** asked if the clients contributed to the cost of the program and **Ms. Bock** replied that currently they do not ask for any co-pays or enrollment costs from the participants.

**Senator Cameron** inquired that since this is being done by the health districts are the local property tax dollars from the counties used for the participants or is it strictly state dollars that are used. **Ms. Bock** replied that the funds used in fiscal year 2005 were strictly state dollars.

**Co-chair Lake** asked **Ms. Bock** how they obtained their clients, were they referred, or do they solicit them? **Ms. Bock** replied that they have Youth Court probation officers who refer minors in probation and the quit rate in this group is quite high. They also have sub-contractors who advertise the program and they put flyers up in laundry mats and in places where they know blue-collar workers frequent to attract clients.

**Co-chair Lake** asked if they receive medical referrals from doctors. **Ms. Bock** replied that many doctors do refer clients to the program.

**Roger Christensen**, Secretary of the Board, Catastrophic Health Care (CAT Fund), gave the presentation in place of **Blake Hall**, Administrator. The CAT Fund is requesting \$600,000 from the Millennium Fund to reduce the deductible for Counties paying for smoking related illnesses. **Mr. Christensen** reviewed by county the requests for funds and there were 6 cases that were presented to the CAT Fund and approved but funds were not reimbursed to the Counties because the fund had already been depleted.

**Senator Lodge** asked if the administrative costs to administer the fund were part of the request from the Millennium Fund and **Mr. Christensen** replied that none of the Millennium Fund dollars were used to cover the 2% administrative cost each year, that cost was covered out of the state agency's budget request that goes before JFAC.

**Keri Yost**, American Lung Association of Idaho, presented the Teens Against Tobacco Use or TATU Program. The program is requesting \$77,900 from the Millennium Fund. The TATU Program is geared toward 4<sup>th</sup>-6<sup>th</sup> graders and has the support of many school districts and is on the business plan in the Public Health Districts.

**Senator Lodge** noted that with all the new educational requirements in the elementary schools programs like this will have a hard time surviving because teachers currently do not have enough time in the school day to teach the subjects they need to, and she suggested that if this program wants to survive that they should look to after-school or outreach programs such as the Boys and Girls Club to keep the program going.

**Jack Miller**, Program Manager, Project Filter, gave an overview of the tobacco counter-marketing program. This program is requesting \$500,000 from the Millennium Fund, of which \$350,000 is used to purchase air time for existing TV and radio ads (there is a match there), \$100,000 is used to implement statewide programs, and \$50,000 is used to produce the final evaluation. The priority populations that they are targeting are the 18 to 24-year old and the blue collar workers ages 25 to 55, mainly in the Native American and Hispanic communities.

**Senator Kelly** asked if any of the dollars requested go to personnel costs. Mr. Miller responded that the \$350,000 is used strictly to purchase air time but a small portion of the remaining funds do go into personnel for implementing the programs and doing the final evaluation.

**Judge Jack Varin** reviewed the Idaho Supreme Court/Youth Courts and Status Offender Services program, which is prevention and intervention program in a continuum of Juvenile Court Services. The Youth Courts/Status Courts are requesting \$270,000 from the Millennium Fund.

Prevention and intervention is necessary because the statistics show that 50% in Idaho's prisons are illiterate, 80% have dropped out of high school, and 87% have a substance abuse problem. Judge Varin stated that if you allow one youth to drop out of high school for a life of drug abuse and crime it costs society as much as \$2,000,000. Effective intervention through the courts facilitates positive, pro-social connections in the community, assists in developing effective life skills and self-esteem, involves the family in the process, and mobilizes a range of positive influences in a young person's life.

Youth Courts are an alternative diversion court for youth where peers serve as attorneys, bailiffs, and jurors. Each defendant is required to fully explain their offense to a jury of peers. Peer jury sentences offenders to classes, educational essays, and community service. The Youth Courts build pro-social connections between youth and community members.

Status Offender Services intervene with youth who have committed a status offense; an act illegal due to the status as a minor. They also work with the family to identify issues and areas of risk and they provide resources to the offender and family to enhance relationships and enhance skills of the youth.

**Dr. David McClusky**, Director, Magic Valley Youth Tobacco-Free Coalition, is requesting \$150,000 from the Millennium Fund for the Community Patient Navigator Clinic. The idea for the clinic was youth driven, and the coalition participants range from ages 13-19. The Tobacco-Free Coalition has been a self-sustaining program for the last 11 years. This clinic will offer programs that review tobacco use and prevention, smoking cessation, a smoke-free environment, and will use community asset-building. They partner with CSI's Health Science Department, the Boise Family Practice Program, and the Twin Falls Chamber of Commerce.

**Lt. Col. Kevin Johnson**, Idaho State Police, Idaho Tobacco Project, is asking for \$94,000 from the Millennium Fund to continue the Idaho Tobacco Project which monitors permitted business that sell tobacco to make sure they are not selling to underage youth. This program has been in place now for a number of years. This year they are monitoring internet sales of tobacco to make sure that no permitted businesses in Idaho are selling on the web. This is an area they will be looking into further in the coming year.

**Mark Kuhnhausen**, Executive Director, Boys & Girls Clubs of Idaho, presented the Smart Moves Program to the committee. He is asking for \$102,932 from the Millennium Fund, which would serve 550 at risk kids at approximately \$187.00 per child. The Smart Moves Program targets low income families who are in the Boys & Girls Club of Idaho who have children at risk for smoking, drug use, or gang activity. Smart Moves is a nationally recognized program that they would like to implement in more cities in Idaho. They use age-specific modules that engage club staff, parents, community members and older teen members in a team approach to prevention of addictive substances. Kids in the program engage in pre/post tests, participation records are kept, and monthly progress reports are generated. The Prevention Team, which is part of the staff, does a monthly analysis on the participants with a follow-up after one year.

**Representative Clark** commented that the program appears to be in areas that are in Lewiston and south of there and wondered if there were any plans to include this program in the Coeur d'Alene area. **Mr. Kuhnhausen** replied that putting programs in that area is a priority of theirs.

**Cathy Holland Smith**, Budget & Policy Analyst, reviewed several informational handouts to the possibility of endowing the Millennium Fund. She reviewed what legislatures around the country have done to utilize these funds. The money did not become available to the states until 2001. Twenty-seven states created some type of fund to protect some of that money but during the fiscal crunch that followed many states changed their use of the fund. Most of the states did find that they needed to dismantle those programs because they could not sustain them. Some states put all of the money in endowments or trust funds, many split between dedicated uses, some split between endowments and General Funds which was determined annually or on a graduated schedule. The

current distribution formula in Idaho is 5% of the fund's average monthly fair market value for the first 12 months of the preceding 24 months. Other distribution choices that are available is to direct all to the Millennium Income Fund, a percentage to the Income Fund for appropriation and a percentage to the state General Fund after a certain fund balance is reached, identify a certain minimum dollar amount to be transferred based upon the need, and once the regular distributions meet that amount then revert to the 5% rule, or, consider a 'super majority' transfer rule as needed.

**Senator Darrington** remarked that he would support endowing the entire Millennium Fund constitutionally and all of the revenues that derive into it, but not limiting the type of expenditures from the fund, and no transfers to the General Fund at all. He remarked that we will have far more health needs in the future than this fund could ever cover.

**Representative Clark** made a motion that this is such a large issue to take up today and so he would like to provide back to **Ms. Holland-Smith** our thoughts and suggestions on where we think this committee should go in the future and schedule a meeting in January where this issue alone is addressed. Motion passed by voice vote.

**Representative Sharon Block** presented to the committee a proposal for a scholarship program that would be a tobacco, drug and alcohol free scholarship. If they remained free from addiction they would have the opportunity to earn a scholarship to an Idaho college. She is introducing legislation this session and would like the committee to consider funding this proposition with Millennium Fund dollars.

**Representative Clark** asked if there was a fiscal impact on this other than the cost of funding the education. **Representative Block** replied that many schools are doing drug tests in school already and some schools said they could absorb the minimal added cost. **Representative Clark** wanted to know who was going to manage all this, is there an added cost. **Representative Block** said the schools would manage it and there would be a cost but did not know what that cost would be but they felt they could absorb it with their existing staff.

**Karl Tueller**, Deputy Director, Department of Commerce & Labor, gave the committee an overview of how the Office of Science & Technology is considering asking for Millennium Funds to help accelerate Idaho's innovation economy by including funding measures for research (Biosciences) as a program component of the Millennium Fund. They have six strategies: 1. Build, attract, and retain a highly skilled workforce; 2. Invest in R & D and promote University-Industry collaboration; 3. Facilitate commercialization of technology developed in Idaho; 4. Build an entrepreneurial culture that supports and nurtures new firm formation; 5. invest in the infrastructure needed to support a technology-based economy; and

6. Establish a national and international image for Idaho as a leading technology center.

Motion made by Senator Lodge to adjourn, motion seconded by Representative Clark.

Meeting adjourned at 4:52 pm.