

MINUTES
(Subject to approval by the Committee)
Joint Millennium Fund Committee
Wednesday, April 01, 2015
Noon or Upon Adjournment of Both Houses
EW20
Boise, Idaho

Representative Stephen Hartgen, Co-chair, called the meeting to order at approximately noon. Also in attendance were Co-chair, Senator Patti Anne Lodge, and Senators Dan Johnson, Fred Martin, Dan Schmidt and Janie Ward-Engelking; and Representatives Fred Wood, Robert Anderst, Phylis King and Mat Erpelding. Jared Tatro, LSO analyst, staffed the meeting. The meeting minutes from the March 17, 2015, were not introduced for consideration.

Summary: This meeting was a working session of the committee, to continue the discussion about fund distribution models. Testimony was heard from Representative Rusche; Neva Santos, The Idaho Association of Family Physicians; Suzanne Budge representing The Boys and Girls Clubs; Elke Shaw-Tulloch, Project Filter, Department of Health and Welfare; and Stacey Satterlee, The American Cancer Society. No action was taken during this meeting to change the process. After discussion and testimony, the committee agreed to pursue a request for information regarding establishment of criteria and the use of an outside evaluator. Mr. Tatro will provide a summary of the day's discussion to the committee for consideration, before moving forward during the interim.

Representative King brought a proposal before the committee. The Centers for Disease Control and Prevention (CDC) recommends dividing funding into different groups and Idaho has three groups: The Department of Health & Welfare (DHW), other state and publicly funded programs, and 501(c)(3)s (non-governmental organizations, or NGOs). This committee annually appropriates about \$2.5 million in Millennium funds to DHW, or 25%; about \$5.4 million to state and public programs (about 50%), and \$1.08 million to the NGOs. The CDC recommends experienced staff to provide accountability. Jared Tatro reported that many of the current NGO grant applicants utilize Boise State University (BSU) and include BSU's findings in their presentations. Representative King's proposal would allow the committee to spend funds for a staff evaluator to secure more accountability. The second part of the proposal would reduce the number of applicants and redefine eligibility. Criteria would include: 501(c)(3) and 501(c)(4) organizations; state-funded programs; proposals that demonstrate statewide impact; organizations in business at least four years; and a mission that includes tobacco or substance abuse prevention, cessation or treatment consistently for the past several years. She would like all applications to include a copy of their mission and how requested funding would fit into their program's strategic plan, as well as the 990 state tax forms required for the 501(c)(3) organizations (while acknowledging that a completed 990 form is lengthy). She would like applicants to continue to report on past funding of any Millennium funds received. She added that she does not want to see funds used for conference expenses or software programs. She stated that her proposal is intended to start the conversation; she then turned the floor over to Senator Schmidt.

Senator Schmidt stated that he appreciated the ideas for a funding pattern and eligibility criteria, but questioned the statewide requirement. Representative King replied that funds are given to the state, therefore should have statewide impact, not just regional, to benefit all citizens. Senator Schmidt offered that some applicants might bring pilot projects worth running in which a smaller scope is appropriate, to see how they perform. Representative King replied that she could appreciate that, although her intent was to ensure that funding went to experienced organizations; she will leave that determination to the committee. Senator Martin expressed unease over some prior grant disbursements; the committee is seeing more and more requests, with less and less potential for good outcomes. He went on to state that Representative King's proposal is very, very good, and assumes that it is a recommendation and guideline to the committee and applicants.

Representative King confirmed that her objective is to start a discussion, and she is open to changing any aspect of her proposal. Senator Ward-Engelking, while acknowledging that she is new to the committee, expressed concern about the statewide requirement- not only out of consideration for pilot programs, but also considering that some programs might be applicable in rural areas and others in urban settings- and suggested some leeway in that criterion. Senator Schmidt spoke to the recommendation that the committee hire an experienced staff evaluator, stating it would give him a level of comfort also, and wondering if Representative King had considered where that staff would be located. Representative King referenced CDC best practices for staffing that address the administration of complex coordinated plans to ensure fiscal accountability. Currently, our 501(c)(3)s run their data assessment through BSU, with the exception of one program partnered through Idaho State University (ISU). Representative King then deferred to Mr. Tatro, who stated that about 75% of our recent applications- the 501(c)(3)s and most of the state agencies- have contracted through the BSU's Center for Health Policy to conduct surveys and analyses. The BSU center is paid for that work through the approved grants. Representative King's proposal would have the committee itself work directly with the Center for Health Policy, and include all applications. There is some duplication of effort seen in some applications; Idaho is essentially paying BSU twice, for evaluation of the same materials. Going to a single source may save some Millennium funds. Chairman Hartgen asked Mr. Tatro if he could provide the history of BSU's involvement in this process (how long they have been involved, how data is bundled, etcetera) and Mr. Tatro replied that he would work with BSU to obtain that information.

Chairman Hartgen then invited Representative Rusche, a former and long-term committee member, to provide historical perspective. Representative Rusche reported that early in the committee's existence, the requirement for evaluation allowed applicants to select their own evaluator and process, and included that in their grant request. He conferred that there is validity in having the Millennium Fund governance board as the customer for that evaluation (rather than the individual grantee who is interested in proving that their program works). He clarified that he did not intend to imply that there would be any skewing of data, but rather, that the new approach would provide a consistent view, using consistent criteria, of what success should look like. On a different note, Representative Rusche noted that the committee sees a multitude of youth organizations, and referencing the CDC recommendations for oversight, is wondering how to integrate those efforts to knit them into a cohesive whole. He sees value in creating more structure in a program that has a 10 million dollar impact.

Chairman Hartgen invited further discussion. Representative Wood thanked Representative King, and agreed with Representative Rusche regarding adoption of a single source for evaluation. With respect to statewide impact, he feels that pilot projects are a good thing, but believes Representative King is on the right track. A pilot program should be scalable to statewide use and he believes that we should get away from, for example, an individual school district or entity that only operates in one county; the committee has seen some of those applications. Finally, he liked the idea of evaluating what we are doing as a committee to ensure that we are getting the best value for our money, going forward. Senator Lodge agreed, emphasizing that it is very important to consider how to integrate and evaluate these programs for tobacco prevention and cessation. Further, she agreed that the committee should not pay for conferences and software (the administration of programs).

Representative Erpelding met previously with Representative King and supports the proposal overall. He is, however, resistant to the idea that every program must have statewide impact; it is important to have prevention strategies in place where the population that is most influenced by a given strategy, resides. The CDC states that multiple social resources working together will have the greatest long-term impact on a population. For prevention and cessation, if the committee requires a must-have statewide impact criterion, it may miss opportunities. When considering treatment, given the size of our state, with the number of annual tobacco-attributable deaths at 1,800, the committee focus should be on prevention and cessation, and those opportunities are not always statewide.

Chairman Hartgen asked the committee, regarding the proposed 30-30-30-5-5 split, if they felt this was the correct allocation, or if they had other proposals for consideration. Mr. Tatro interjected that next year's balance distribution is anticipated to be \$12.8 million; 30% of that would be about 3.8 million dollars. Representative Anderst commented that in the beginning of the funding history, along with cessation and education programs, there was also significant funding for treatment costs associated with tobacco use. The committee should find ways to address the already-realized costs of tobacco use in society, specifically in those areas where the taxpayer foots the bill for significant hospitalization costs. In averaging the first five years of the fund, 30-32% went to the CAT Fund to lower county deductibles, and the need in those counties has not gone down. Representative Anderst invited input from members with more committee experience to offer any relevant history. Senator Schmidt suggested another way to provide those services: a 10% match to an insurance program for the uninsured in Idaho would provide excellent care for people with complications from tobacco use. Chairman Hartgen's response to the insurance proposal was that it is an idea that has been under consideration for some time by this body, and would require considerably more discussion. Senator Schmidt added that he could not tell from Idaho code, Title 67-180 (distribution from the millennium fund) if the committee has the authority to contract services; it can make recommendations to the Legislature for how to disburse the money, but he was not sure if, statutorily, it has the authority to hire staff outside of the Legislative Services Office. He asked staff and the committee to look also, at 67-189. In Mr. Tatro's interpretation, the verbiage "shall provide for the support of the committee" could be interpreted to mean that such a contract is something LSO could handle (but he would need to verify his understanding). Mr. Tatro then deferred to Brett DeLange from the Attorney General's Office, stating that, while this question may not be in Mr. DeLange's area of expertise, he does handle the master settlement. Chairman Hartgen invited input from Mr. DeLange, who did not offer any comment.

Chairman Hartgen then asked the committee to review Representative King's proposal- points one through six- as well as point seven (placing sideboards on conference travel and software), inviting any further input. Senator Martin echoed Co-chair, Senator Lodge's concerns regarding administrative costs. Chairman Hartgen stated that, in his interpretation, the committee would ask applicants to identify administrative costs very clearly, to ensure that the committee does not double-allocate funds, and then asked Senator Martin to confirm that this was his concern. Senator Martin said yes, but also that not funding administrative costs shows that the application represents an organization that is functioning, and with or without millennium funding, they are providing a service to our community. Millennium funds in this instance were being used to advance an initiative, not to make or break their structure.

Chairman Hartgen invited members of the audience to comment, asking them to keep it brief since it is not a formal committee hearing, but that he wanted to give them an opportunity to offer any points they would like to raise. Representative Rusche stated that this is a discussion he has had in the past and that is appropriate again, given the size of the fund, and encouraged them to look at what has been funded over the last few years; tobacco cessation and prevention and not much in the area of treatment- an intentional choice at the time. The problem with working through the CAT fund process is trying to determine those cases that are tobacco-related illness, and which cases to fund. The CDC funding recommendation for a comprehensive tobacco program is close to the total amount Idaho receives annually through the Millennium Fund. Idaho has never spent the recommended amount, nor does the Representative think that the committee will do so in the future. More recently, drug abuse prevention has been included as part of the overall program, given the overlay between addiction to tobacco products and addiction to other substances; it is not necessarily part of the CDC recommendation. Representative Rusche agreed that following Representative King's percentages reflected in the CDC recommendations does makes sense, also adhering to CDC recommended best practices, and using a standardized evaluation to make sure grantees' efforts are coordinated and not duplicating effort. Senator Johnson asked Representative Rusche how he would handle personnel costs when evaluating a proposal, citing the example

of a recent request, in which, over 60% of the requested funds were earmarked for personnel. Representative Rusche responded that personnel costs are the way to deliver services; a program cannot count solely on volunteers. There will be those costs, but the question is whether you are getting value- whether paying for equipment, rent or the cost of staff. More important than the program detail, is whether it shows effectiveness and follows best practices. Senator Schmidt asked Representative Rusche what his prior experience has been in examining committee process questions similar to those under review by the current committee. Senator Schmidt appreciates Representative Anderst's comments about funding CAT Fund and moving away from it as an intentional choice. The Senator then asked if there is an existing mission vision statement. Representative Rusche responded that the mission *vision* is to provide a comprehensive tobacco program, focusing on prevention and cessation, and trying to follow best practices. In the early 2000s, Idaho tapped into the Millennium Fund, then the Endowed Fund for other state needs; he does not remember the last time the committee used these funds for the CAT Fund. Representative Rusche stated that the function of this body is to help establish what the vision is- what this board wants for the citizens of Idaho. The body has already agreed that it wants these funds into perpetuity, hence the establishment of the endowment fund, and prevention of tobacco-related illness and treatment. If there are other associated and treatable health issues, it may be appropriate to address those issues as well. The settlement exists to compensate the state of Idaho for injuries from tobacco, and to improve the health of our citizens, now and in the future. Selecting a vision is what a board of directors typically does first. If agreed that the mission is, in fact, as stated, then the best way to do that is to employ the expertise of the established best practices. Co-chair Lodge asked Representative Anderst if he knew during what years that the CAT Fund received Millennium funds. He replied, they received funding in FY 01 through FY 05 as transfers from the income fund to the county-deductible portion of the CAT Fund, in differing percentages, but significant appropriations in each of those five fiscal years. Co-chair Lodge commented that she was part of this committee during part of that time frame and recalls that the funding structure for the CAT fund was different then, and she would like further research into that history.

Chairman Hartgen invited further testimony. Neva Santos, Executive Director for the Idaho Academy of Family Physicians that coordinates the Tar Wars program, concurred with Representative Rusche. Ms. Santos welcomed the idea of one of the universities surveying all of the programs. For a program like Tar Wars, it is difficult to determine if it has kept someone from beginning to smoke tobacco, but a comprehensive evaluation of all the programs would give the committee a good sense of what is working and what is not. Regarding the administrative piece, she stated that Senator Martin is likely referencing her program, of which, the majority of the staffing is volunteer effort that requires a paid coordinator. Ms. Santos stated that without that position, there would be no program. The Tar Wars program ran for many years without Millennium Fund support, but Millennium funds have allowed expansion and the program now reaches 50% of all elementary schools in the state, solely due to the efforts of the coordinator overseeing a large pool of volunteers. She went on to express her opinion that Idaho does not have a comprehensive program, that Tar Wars is only one little piece in the puzzle, focusing only on 5th grade students. A few years ago, a number of entities came together to innovate a statewide approach, but it was not well received by this committee. Any comprehensive approach would bring entities together, working in the same direction without overlap. She thanked the committee and Chair; and thanked Representative Rusche, reiterating that she fully agreed with his comments.

Chairman Hartgen welcomed Ms. Suzanne Budge, representing the Boys and Girls Clubs, who offered perspective dating back to the beginning of the advent of the Millennium Fund. She too, concurred with Representative Rusche, stating that this committee has adhered strongly to its fundamental mission compared to many other states in looking at prevention and tobacco-related illnesses, and for that she admires the persistence and vision of the Committee. From an applicant's perspective, there has been a lack of continuity; changes from the institutional side, not only in how it is staffed, but how it is measured and in the application process itself. It is a process that is continuously

changing, which presents a challenge for the applicant. Having represented an applicant with a national presence that has used national and independent evaluators, she stated that together we have done our very best to adhere to requirements, and it is certainly our intention to meet whatever requirements are put forth, and that includes evaluations. In the early days, there was not much money and there was a lot of scrapping for that money, and the NGOs were the focus; the committee has now moved toward funding more government-driven projects. The committee has been good about keeping the NGOs in play, but there has always been a different standard for the independent groups than for the state agencies and local government applicants. To the extent that the proposed transition provides more structure and certainty, Ms. Budge appreciates more guidance. She ended by stating that she appreciated the opportunity to comment, and the time the committee has given her over the years.

Chairman Hartgen welcomed Ms. Stacey Satterlee with the American Cancer Society Cancer Action Network, who shared their perspective. The network, as a member of the Tobacco Control community, supports a number of the comments already shared, including the single source for evaluation. The network struggles with the time line of the grant cycle; trying to obtain good evaluation data to present to the committee within that time frame. She stated that they find themselves presenting their grant request for the next year, when the grant money from the previous year has only been in place for a few months. She recalled that, at one point, the committee discussed the possibility of a longer cycle- of possibly two years. It is difficult to create a strategy based on data and feedback, when a program is barely up and running. Additional staff analysis could only be helpful; Mr. Tatro is a wonderful resource, but his position cannot guide the applicant in making their application stronger. Ms. Satterlee agreed that Idaho should have a comprehensive program and acknowledged there are holes in prevention and education; but requiring that all projects have statewide impact might hinder potential that could be evaluated for success on a small scale before being applied more broadly. She thanked the committee for having this conversation and allowing the applicants to be a part of it.

Chairman Hartgen asked if there were any questions for Ms. Satterlee. Representative King stated that initially, when developing her proposal, she had hoped to get more NGOs involved. NGOs are currently only about 10% of the funding and she wanted to increase that to 30%, thinking that the NGOs provide broader prevention and cessation, if not treatment. The Representative asked Ms. Satterlee if she had any thoughts about how NGOs fit into the community, compared to state agencies. Ms. Satterlee echoed Ms. Budge's position: that to the extent the proposal offers more guidance and certainty, the committee could potentially see more NGOs come to the table. She went on to state that it is difficult to get a program up and running with the lack of certainty that comes with an annual process. As previously stated, there has been change in the direction and focus that could inhibit new groups. There may also be potential applicants that are not aware of the existence of the Millennium Fund as a possible funding source. Getting the word out might help build that more comprehensive program, by attracting more projects. Senator Schmidt addressed Ms. Satterlee's interest in a multiyear granting process, agreeing that the current cycle is problematic and asked what she thought was the correct breakpoint for these projects. Ms. Satterlee stated that she was not sure if she had the right answer for that. It was her understanding that there were restrictions on the management and allocation of the fund; that is why she earlier suggested two-year cycles, but most organizations have a 5-10 year strategic plan, so 3-5 years would be her preferred funding cycle. Hearing no further questions, the Chair thanked Ms. Satterlee.

Chairman Hartgen welcomed Elke Shaw-Tulloch, Public Health Administrator for the Department of Health and Welfare, speaking to the Project Filter program. She agreed that there should be consideration given to innovative and comprehensive approaches moving forward; there is a lot of energy and enthusiasm across the variety of programs and efforts seen in tobacco prevention and control. She reported that multiple members are looking at how they collaborate, and providing for that synergy and opportunity moving forward would be great. Ms. Shaw-Tulloch had a question

about the proposed evaluation process. The department currently requests money within their grant application for their own independent program evaluations; she wondered if that money would then, be removed- if the department would no longer have a role in evaluation- or if the proposal's intention is to validate the department's evaluation findings. Senator Schmidt shared his personal vision, stating that he was not sure that the committee as a whole had formed one yet. In his opinion, having a program evaluate itself is a suspect process. Having a functional evaluation that can show the integration would provide a better perspective for investment. Today, the committee heard multiple comments about how the process fragmented over time, and the Senator believes that a unified plan would serve our state best; it is difficult when the committee asks each program to provide that feedback from within its own function.

Chairman Hartgen invited further comment. Senator Johnson stated that, if this committee were to establish what it considers important metrics to achieve an end result- and formulated that into a value statement with clear objectives- it could require applicants to address those in their applications, not unlike the newly created process for the state universities. Doing so would give the applicants very clear direction regarding the level of service the committee expects. By default, that might eliminate some of the extraneous applications that the committee currently receives.

Senator Schmidt asked if the committee should now ask LSO to develop a Request for Information (RFI). Chairman Hartgen asked for his Co-chair's opinion, and Senator Lodge stated that she prefers keeping the full process in-house; she appreciates the analysis provided in-house and would like more time to process the ideas that have come before the committee today. She reflected that she heard many comments about how the committee has changed over the years, as well as the amount of money available. She commented that, as the committee changes, so do the ideas of those members along with the people who come before us; change is a constant that we have to accept and we must work within those changes. Senator Lodge likes the idea of integrating the programs for continuity, and the flexibility for NGOs to buy grants. She recalled a request for a dance team to encourage exercise instead of gang activities. She still likes the idea of supporting small groups and youth with ideas to help their peers. She likes innovative approaches and homegrown ideas coming out of rural communities that might have less help developing their programs and that are closer to knowing what their needs are. She acknowledged changes made where they could not ensure accountability. She appreciated Representative Rusche's comments, and Ms. Santos's comments about the single application brought forward as a cooperative effort by multiple programs. Senator Lodge went on to state that she was one of the members who questioned that effort at the time and while there were good parts to that (combined) application, she likes the ability to remain flexible. As for funding over a longer period, she is not sure if JFAC would be able to fund that extended cycle, and again, she would need more information.

Representative King stated that Senator Johnson hit the nail on the head: the committee must first determine a direction. When Representative King first proposed the 30-30-30 split, she envisioned 30% prevention, 30% cessation, and 30% treatment, but learned that many of the grant requests cover more than one of those components within one program. She then placed 30% into NGOs to promote those small, locally grown ideas, and was not thinking pilot projects at the time, but does like the idea of celebrating community efforts. She feels that once the committee determines its vision, the 30/30/30 distribution will fall into place, or perhaps there is no need to assign a split value. Regarding the two-year cycle, she would consider having the applicant bring a full and comprehensive application every other year and in alternate years, bring an evaluation or progress report, to save time and effort for the applicant and committee.

Mr. Tatro provided the committee with a document showing the history of Millennium Fund appropriations that Representative Anderst mentioned earlier; the first page lists state entities and the second page lists the nonprofit organizations, and dates from 2001 through FY 2016. The document does not include all of the requests- that information is available through LSO, but is voluminous. Initially, there was a larger number, and greater variety, of applicants, including news

channels; over the period of a few years, the committee settled into the specific criteria of tobacco prevention, cessation and treatment. The proposal solidifies and simplifies the eligibility criteria, and thus avoids some of the recent applications that are out of the scope of the existing mission; some have been very far-reaching in their correlation to tobacco use. Chairman Hartgen asked Mr. Tatro for the application due date, and he reminded the Chair that a motion was made in the last meeting to require that the application be posted by Labor Day and that applications would be due six weeks later, on or around October 17th. The committee would then meet about six weeks later to hear the grant requests, with consideration given to scheduling Legislative Council and holidays.

Representative King asked how the proposed independent evaluator would fit into that time line. Mr. Tatro anticipates that the outside evaluator would be gathering and analyzing data throughout the year, and would provide their report in time for the hearing. Currently, a number of the applicants utilize Boise State University for evaluation, contracting directly with the university, and that information is included in their grant reports. He went on to state that analyzing and merging what would be comparable data sets should not result in a greater time component for completion of the evaluation. Representative Wood agreed that we need an independent evaluation program and does not believe that the function could be filled by LSO (existing FTP), simply because of the staff time that it would require. LSO should be approached to ask if the agency could perform that function, what is the time commitment, and at what cost. Absent LSO, the committee would want to get a request for proposal (RFP) out to see who could perform this function. It is his opinion that House Leadership would not support adding LSO staff, and while he could not speak for the Senate, he believes that leadership would be more amenable to a private contract. He agreed that the committee should begin to pursue the outside program for integration and evaluation of the efficacy of the programs receiving Millennium funds.

The Chair hoped that the committee could have a mission statement and checklist of sideboards taken from Representative King's excellent analysis by the end of May to give applicants an idea of what those new requirements will be, at the time of posting in early September. It is necessary to give them some lead-time, and to highlight what components of the application reflect changes. The Chair asked Mr. Tatro to work on a parallel track along with Representative King to prepare a checklist of the bullet points, and get ideas from evaluators regarding the amount of time they would require. If they are evaluators already doing this work for some of the individual entities, the process may be straightforward; if they are not, it could be more involved. The Chair did not recommend the suggested 5% of 12 million figure, stating that one-fourth of 1% is more reasonable, and guarded against putting too big of a carrot out there, considering the amount of work required. He asked Mr. Tatro and Representative King to summarize the discussion; the Co-chairs will circulate that summary to the committee members along with any comments, a draft mission statement and checklist of sideboards. He invited audience members to contact other affected parties. By the end of August 2015, the committee should be ready to post new guidelines.

Representative Anderst asked for clarification regarding who would develop the mission statement and Chairman Hartgen replied, the committee: Members will circulate it among themselves and develop it. The Chair noted that statute refers to an annual funding cycle, and the committee is not prepared at this point to introduce a legislative language change or statute change; but the committee does have the authority to draft guidelines and a mission statement. That information could then be shared with members of leadership as appropriate, and the Chair expects that the committee would receive their approval to keep moving forward. Representative King inquired if the committee needed a motion, to spend up to \$100,000, to allow Mr. Tatro to begin discussions with potential evaluators. Representative Wood voiced his opposition to using any dollar figure whatsoever. He would recommend drafting an RFI, and from that, develop an RFP with no dollar figure and see what comes back. Representative Anderst noted that we did not leave any money in the income fund this cycle, so do not have that (spending) option right now.

Representative Rusche was pleased to see the committee take the time to reassess the role and process. Having gone through the statute, he noted that it does not state what the committee should be doing beyond recommending how the money is appropriated, so taking time to figure out the best way to serve the citizens of Idaho, is time well spent. The Chair asked members of the audience to provide Mr. Tatro with their E-mail addresses, to include on a distribution list. With no further business before the committee, the Chair thanked everyone for participating and adjourned the meeting at approximately 1:30 p.m.