

MINUTES
Approved by the Committee
Joint Millennium Fund Committee
Thursday, February 05, 2015
12:00 P.M.
EW 20
Boise, Idaho

The meeting was convened at 12:25 p.m. by Acting Co-chair, Senator Dan Johnson. Senator Johnson was appointed to substitute as Chair in the absence of Senator Patti Anne Lodge. Others in attendance were Senators Chuck Winder (substitute), Fred Martin, Elliot Werk, Dan Schmidt; Co-chair, Representative Stephen Hartgen; Representatives Fred Wood, Robert Anderst, Phylis King; and new member Representative Mat Erpelding, appointed to replace Representative John Rusche. The meeting was staffed by Jared Tatro and Margaret Major, LSO staff with the division of Budget & Policy Analysis.

This was a working meeting to determine a funding recommendation for consideration by the Joint Finance-Appropriation Committee (JFAC). No testimony was heard during this meeting. Mr. Tatro explained the motion process. A maximum of three actions on a motion can be entertained and brought to a vote in the form of an original motion, a substitute motion and an amended substitute motion. Once the committee determines the appropriation recommendation for the grant requests before them, another action will be needed to transfer any remaining balance. Senator Werk reiterated that the committee would first address the grant requests, then the disposition of excess funds. Chairman Johnson reminded the committee and audience that the proceeding was being audio-recorded by Idaho Public Television, and then opened the floor for motions.

Representative Wood introduced a motion to approve all requests in the amounts requested, with the exception of two grants: Canyon Springs High School and the Office of Drug Policy (ODP), for which, he recommended no funding and explained his methodology. In considering aggregate committee scores, any request that met a 50% recommendation threshold was recommended for full funding. Those below that threshold would receive no funding in his motion. The motion was seconded by Representative Anderst. Senator Werk asked if the motion maker was aware of a letter from the Department of Health and Welfare requesting additional dollars to extend Nicotine Replacement Therapy (NRT). Representative Wood stated that he was not opposed to that, and gave permission to amend his original motion to add the additional funding, in the amount of \$206,749. The second agreed.

Senator Winder asked why the ODP was excluded. Representative Wood explained that the total committee member input placed the request at 37%. Senator Winder asked what led to no funding, and Representative Wood said that he could not speak for the other members, but he felt that (the proposed campaign) was fear driven and would not have the intended effect. Senator Schmidt spoke in favor of the motion, stating NRT is also utilized by the Public Health Districts. Senator Werk conferred, and went on to state that he has served on the Joint Millennium Fund Committee for over a decade. Initially, there was no Income Fund. That fund allows the committee to be more effective and plan, going forward. He further expressed his opinion that funding the Idaho State Police alcohol beverage control inspections were an improper use of Millennium funds; but he did not want to conversely burden tax payers, stating that retailers should bear that cost. The Senator will support this grant, at this time, to keep the expense off of the taxpayer. Representative Wood spoke in support of his motion, stating that those grants recommended for funding included evidence-based data to support the use of these dollars in programs that actually work. The Department of Health and Welfare received a 100% rating for Project Filter. Public Health Districts were rated at 97% by the committee. He reported that some states have lost Millennium funds because they could not demonstrate proper use. Mr. Tatro confirmed that. Representative King added that programs also

need to demonstrate statewide impact, and while the Canyon Springs Youth Court initiative is a good one, in order to receive these funds, it would need to show statewide impact.

Chairman Johnson asked if there were further comments and hearing none, called for a vote on the original motion, which passed unanimously. Senator Schmidt clarified for the audience that this was a recommendation only, that would go before the JFAC for consideration. The total amount recommended for grant appropriation in this motion is: \$9,477,300. A breakdown of this recommendation and other pertinent materials can be found online at: http://legislature.idaho.gov/sessioninfo/2014/interim/millenniumfund_recommendationFY16.pdf.

The Chair then entertained motions to address the disposition of the remaining balance of \$2,053,600. Senator Schmidt introduced a motion to direct the balance to support indigent funding at the county level, clarifying that funding would go through the County Indigent Program, not the CAT Fund (Catastrophic Healthcare Program). Representative Erpelding seconded the motion. Representative King inquired how those funds would be allocated between counties. Senator Schmidt replied that funds would be appropriated based on population figures provided by the Idaho Association of Counties.

Representative Wood introduced a substitute motion to revert the remaining balance to the Endowment Fund, seconded by Senator Winder. Representative Wood stated that he would not have had a problem with the original motion if it had come through the grant application process; it sets a bad precedent to have entities skirt the process. Representative Anderst clarified that there has not been an attempt by the County Indigent Program to skirt the process- those entities were approached by the Legislature. Representative Anderst will support the substitute motion and encourage the counties to go through the application process with any future request.

Representative Erpelding introduced an amended substitute motion to keep the balance in the Millennium Income Fund, so that funds would still be readily available as needed; seconded by Representative King.

At the request of Senator Martin, Mr. Tatro confirmed that the balance in the account was \$2,053,600 and clarified the three fund accounts: the Permanent Endowment Fund (not a spending account), the Traditional Millennium Fund (\$20 million is available for emergencies; also not a spending account) and the Income Fund- moneys spent through this committee process.

Senator Werk reported that when the Traditional Fund account reaches \$100 million, it transfers to the Endowment Fund, but it is currently far from reaching that figure. He added that he is torn; the Income Fund can be used to solve problems down the road, but the Endowment Fund is a gift to the state. Co-chair Hartgen noted that the discussion brought out useful points to discuss the purpose of the fund as it continues to grow, and how to best serve the state. Co-chair Hartgen opposed the amended substitute motion and will support the motion to revert the balance to the Endowment Fund. Representative Wood spoke to his motion, stating that, having been a JFAC member, he knows that they do not zero-base budget every year and that leaving the balance in the Income Fund is a "seed for mischief" and further, that the Income Fund also generates less interest.

Hearing no further discussion, Chairman Johnson called for a vote on the amended substitute motion, which failed, 8-2; the two ayes were the motion maker and second.

The Chair then called for a vote on the substitute motion, which passed, 7-3. The nays were Senator Schmidt, and Representatives Erpelding and King.

In closing, Senator Winder reported that he had the opportunity to visit Senator Lodge and believes she would be supportive of the action taken, and that she hopes to be back soon. Mr. Tatro announced the intent to have an additional meeting at a date to-be-determined, to discuss committee methodology and policy going forward. He reminded the committee that the fund is undoubtedly very healthy. Chairman Johnson thanked the committee and staff and adjourned the meeting at 12:55 p.m.

Addendum: the recommendation herein went before the JFAC on February 9, 2015, and the motion to approve passed unanimously.