

Oklahoma Tobacco Settlement Endowment Trust
Board of Directors
Minutes
February 23, 2011

Board of Directors Members Present: Kenneth D. Rowe, Casey Killblane, Susan Walters Bizé, George E. Foster, O.D., John Kennedy, W.R. Lissau, Lisa Nowlin, D.D.S.,

Staff Present: Tracey Strader, Jonás Mata, Sjonna Paulson, Lance Thomas, Holly Gray, Dorothy Antwine

Guests Present: Marla Baker, Amber England, D. Robert McCaffree, M.D., Frank Merrick, Travis Monroe, Jan Preslar

Agenda Item and Discussion	Action and Follow-up
<p>1. Open Meeting Act Announcement and Call to Order Ken Rowe announced that the requirements of the Open Meeting Act, including the filing of the meeting and posting of the agenda had been met. He called the meeting to order.</p>	
<p>2. Approval of Minutes of the November 17 and 18, 2010 regular Board Meeting and retreat.</p>	<p>Motion to approve the Minutes of the November 17-18, 2010 Regular Board Meeting and Retreat made by Casey Killblane and seconded by Dr. Foster. Motion passed unanimously.</p> <p>Dorothy Antwine will make the minutes part of the permanent record.</p>
<p>3.a. Board of Investors Update – Update from February 22, 2011 meeting of the Board of Investors Travis Monroe said Treasurer Miller would like to attend the May 11, 2011 board meeting. He reported the yield decreased and could negatively impact the earnings. Mr. Monroe said the Board of Investors will look at asset calculation and possibly change fixed assets (45% ratio) based on consultant recommendations and present the results at an upcoming board of directors meeting.</p>	
<p>3.b. Estimate of FY 2012 Earnings Travis Monroe reported that the earnings for FY 2011 may be back to \$18 million or slightly higher, however this does not account for what may be earned after the payments arrive in April and are immediately invested. Payments typically come in April 15th. Tracey Strader explained that payments occasionally come in at other times when a manufacturer joins the settlement, or disputed payments are released.</p>	
<p>4.a. Chair’s Report – Review of Board Meeting Dates for 2011 Ken Rowe reviewed the upcoming 2011 board meeting dates with the board. The May 11th, September 7th and November 16th – 17th board meetings will be in Oklahoma City. The Oklahoma City location for the November 16th-17th board meeting and retreat is to be announced at future meeting.</p>	<p>Dorothy Antwine will research Oklahoma City locations for the November 16th – 17th board meeting and retreat.</p>

Agenda Item and Discussion	Action and Follow-up
<p>4.b. Ethics Commission Reporting Ken Rowe announced that the board needs to submit the Ethics Commission reports to Dorothy Antwine and to call her with any questions.</p>	<p>Dorothy Antwine will submit the board and staff’s Ethics Commission reports to the Ethics Commission before April 30, 2011.</p>
<p>Bill Lissau left the room.</p>	
<p>4.c.i Board Retreat Follow-up Items - Discussion and Possible Approval of the Updated Strategic Plan Tracey Strader reviewed the strategic plan which had been developed during the board retreat. She reported that she and Jonás Mata had worked with representatives from TSET-funded research and prevention efforts to finalize the data and objectives.</p>	<p>Motion to approve the updated strategic plan from the board retreat to be finished by FY 2016 made by Ken Rowe and seconded by Dr. Foster. Motion passed unanimously. Bill Lissau was not present for the vote. Sjonna Paulson will update all the communication materials to reflect these changes.</p>
<p>Bill Lissau returned to the room.</p>	
<p>4.c.ii Board Retreat Follow-up Items - Discussion and Possible Approval of the TSET Branding Implementation Plan Sjonna Paulson reported that the initial placement of print ads in the Journal Record and the Oklahoma State Medical Association Journal. Radio will concentrate on public radio, out of OSU and OU, which covers the majority of the state. Television support messages will run on OETA. Ms. Paulson reported that this buy uses up the approved budget amount through the remainder of the fiscal year. More immediate expansion into other “statewide” or large audience publications, and a web presence would require additional funds. Ms. Paulson reported that after consulting with board member John Kennedy, they are recommending that instead of an ad hoc communications committee, they develop roundtable discussions or focus groups. Recommendations for increasing outside input and support on TSET Health Communications include holding two half-day sessions , one in OKC and one in Tulsa, which would consist of invited advertising and public relations professionals for facilitated discussions about current perceptions and knowledge of TSET, awareness and impressions of current campaigns, thoughts on future directions given provided information on new strategic plan and campaign efforts in the field, along with discussions on wellness, public good and how to move Oklahoma forward. Ideally these sessions would be held before the end of June 2011. Depending on participation and results, sessions may be recommended annually, semi-annually or another approach for input may be sought.</p>	<p>Motion to approve the TSET branding implementation plan made by John Kennedy and seconded by Casey Killblane. Motion passed unanimously. Sjonna Paulson will begin working on the next set of print ads for the TSET branding implementation plan.</p>
<p>5.a. Director’s Report – Training Events Tracey Strader reported that she and board member Bill Lissau will be attending the Grantmakers In Health conference next week and that she will be presenting on a panel. She also reviewed the list of upcoming training events.</p>	<p>Dorothy Antwine will assist with registration and travel arrangements for board members, as needed.</p>

Agenda Item and Discussion	Action and Follow-up
<p>5.b. FY 2011 Conference Sponsorships Tracey Strader reported that there were no new conference sponsorships since the November 17-18, 2010 board meeting and retreat.</p>	
<p>5.c. Staffing Updates Sjonna Paulson reported that Holly Gray, Health Communications Manager would be leaving TSET February 25, 2011 and introduced Ms. Gray’s replacement, Amber England. Jonás Mata reported that the Program Officer position has been reposted and he hopes to have the position filled by the next board meeting in May.</p>	
<p>6.a. Program Implementation Committee Report - Discussion and Possible Action on Continuation of the Oklahoma Insurance Department, Cessation Systems Initiative Grant (P.O. # 0929000339) Jonás Mata reported that the OID contract has been in place approximately 18 months and Patrick Hutton had done excellent work with insurance companies. After health care reform and subsequent conversation with insurance companies, Patrick reported that progress had stalled and he had accepted other employment. The new OID Commissioner John Doak and Deputy Director of Health Insurance, Mike Rhoads, presented a proposal to TSET outlining ways to move forward. The proposal was thorough and the staff are highly motivated. Amity Ritze has been hired to fulfill the staff position with the grant. Although she has no insurance or tobacco control experience, she will be trained and overseen by Mr. Rhoads as well as the program consultant from Oklahoma State Department of Health. Semi-annual and annual reports will be submitted and the board will be able to review the grant’s progress at the November board meeting.</p>	<p>Committee recommended continuation of the Oklahoma Insurance Department, cessation systems initiative grant. Recommendation approved unanimously.</p>
<p>6.b. Discussion and Possible Action on Assignment of the Texas County Communities of Excellence in Tobacco Control Grant (P.O.#0929000550) from the Next Step Network, Inc. to the Texas County Health Department. The lead agency for the Texas County Communities of Excellence in Tobacco Control (Wave III), Next Step Network, was struggling but committed to tobacco control at the time of the grant. Since the award, Next Step Network did not receive certain accreditations and funding and the agency has closed. The coalition has recommended Texas County Health Department as the new lead agency. Jonás Mata is working with the coalition and Texas County Health Department with the process of assigning the grant from one lead agency to another.</p>	<p>Committee recommended assignment of the Communities of Excellence in Tobacco Control grant from the Next Step Network, Inc. to the Texas County Health Department, pending the completion of the assignment process. Recommendation approved unanimously.</p>

Agenda Item and Discussion	Action and Follow-up
<p>6.c. Discussion and Possible Action on Amendment to Contract from the Oklahoma State Department of Health for Additional Oklahoma Tobacco Helpline Services (P.O.# 3409014633)</p> <p>The contract amendment will increase the amount of funding for the Helpline for FY11 by \$400,000. Prior to FY11, the board had agreed to a reduction in the amount of funding from the OSDH to fund a tribal tobacco control initiative. The OSDH will be providing unused funds from the tribal initiative, as it was not funded within the originally estimated period of time.</p>	<p>Committee recommended approval of the OSDH contract amendment to provide \$400,000 for Helpline services. Recommendation approved unanimously.</p>
<p>6.d. Presentation – FY 2010 Tobacco Control Health Communications Updates</p> <p>Sjonna Paulson reported on the current health communications product updates, making special note of products for “Through With Chew Week”, and the “Great American Spit Out” involving a statewide media release, customized local releases and print ads for grantee placement. Materials for use by colleges and universities have also been developed and have been requested by five campuses. Ms. Paulson also mentioned the potential for a CDC Office on Smoking and Health media buy, with a value of approximately \$500,000. The ads will be co-branded with the Tobacco Stops With Me and Helpline logos and should begin airing in March.</p> <p>The 5320/Shape Your Future campaign was launched on February 14th and had incredible media coverage. 5320 proved to be a great social media and teaser campaign. Work with the Oklahoma State Health Department will continue to expand the campaigns in support of the Oklahoma Health Improvement Plan and the tenets of eating less, moving more and being tobacco free. TSET’s Health Communications Intern program has begun with Lara Blubaugh, a senior majoring in letters with emphasis in public relations and Sabdy Rendon, a senior advertising major.</p>	
<p>7.a.i. Program Development Committee Report – Update on Nutrition and Fitness Initiative - Status of Request for Proposals (RFP#092-5)</p> <p>Jonás Mata reported that the proposals for the Communities of Excellence in Nutrition and Fitness Initiative are due to TSET on Friday, February 25, 2011. External reviewers have been identified and recommendations for award will be prepared for the May 11, 2011 board meeting.</p>	
<p>7.a.ii. Discussion and Possible Action on Increased Funding Needed for Additional Grant Reviewers</p> <p>Jonás Mata reported that eighteen grant reviewers have been recruited to review the expected number of proposals for the Communities of Excellence in Nutrition and Fitness grant program. Each reviewer will review up to eight proposals to assure that each proposal is reviewed by three external reviewers. TSET’s standard rate for the reviews is \$200 per</p>	<p>Committee recommended to approve an additional \$35,000 for grant reviewers for FY 2011. Recommendation approved unanimously.</p>

Agenda Item and Discussion	Action and Follow-up
<p>proposal. External reviewers will also be utilized to review the strategic plans submitted by the Wave III Communities of Excellence in Tobacco Control grantees that are in their planning year. An additional \$35,000 is needed for the reviewers.</p>	
<p>Ken Rowe left the room.</p>	
<p>7.a.iii. Discussion and Possible Action on a Contract with the Tobacco Technical Assistance Consortium for Consultation on a Training and Technical Assistance Plan to be Developed in Collaboration with the Oklahoma Department of Mental Health and Substance Abuse Services and the Oklahoma State Department of Health Jonás Mata explained there is a need to develop an “Academy of Excellence” for the nutrition and fitness grantees, similar to the training provided to the tobacco control grantees. A contract is needed with the Tobacco Technical Assistance Consortium (TTAC) to develop and coordinate an academy in partnership with the Oklahoma State Department of Health (OSDH), Samuels & Associates, and other partners. In addition, the Oklahoma Department of Mental Health and Substance Abuse Services (ODMHSAS) is preparing to award grants to communities for work in underage drinking and prescription drug abuse. In an effort to minimize the training and planning burden on communities, staff from TSET, OSDH, and ODMHSAS are working together to blend their individual assessment and planning processes into a unified process with common tools, terms, and curriculum to address the cross-cutting elements of assessment and planning would be essential regardless of the issue to be addressed. This will be a longer-term goal but work can begin right away. Up to \$50,000 for this purpose in FY 2011.</p>	<p>Committee recommended to approve a contract with TTAC for up to \$50,000 for FY 2011 to develop an “Academy of Excellence” for nutrition and fitness grantees, and begin work on a collaborative training program with OSDH and ODMHSAS. Recommendation approved unanimously.</p>
<p>Ken Rowe returned to the room.</p>	
<p>7.b and Possible Action on a Contract from the Oklahoma State Department of Health for TSET Administration of the Certified Healthy Communities Initiative Tracey Strader reported that the Oklahoma State Department of Health (OSDH) is charged with implementing the provisions of Enrolled House Bill 2774 that calls for the creation of a Certified Healthy Communities program that is patterned from the existing Certified Healthy Business program. OSDH has proposed to contract with TSET for \$3.5 million over three years to provide incentive grants to certified communities that meet the criteria currently being developed by committees. These programs focus on policy development and implementation in order to create an environment supportive of individuals making healthy lifestyle choices. The OSDH will assist TSET in the development of a request for applications. The application process may include funding at various levels depending on the level of certification being sought. Part of the funding will support bringing on a staff position to support the program. Bill Lissau conveyed that in recent meetings with OSDH, staff has expressed incredible confidence in Tracey Strader and the work of TSET.</p>	<p>Committee recommended to approve engaging in a collaborative effort with OSDH to create a Certified Healthy Communities program over a three year period through a \$3.5 million contract. Recommendation approved unanimously.</p>

Agenda Item and Discussion	Action and Follow-up
<p>8.a. Agency Operations Committee – FY 2010, Fourth Quarter Programs Budget to Actual, Updated Dr. Foster reported that corrections have been made to the FY2010 expenditure report, as FY 2010 expenditures were inadvertently paid out of the FY 2011 budget. After the correction the FY 2010 total expenditure amount was \$17,213,148 or 88% of the amount budgeted for programs.</p>	
<p>8.b.i. FY 2011 Second Quarter Budget to Actual Operating Budget Dr. Foster reported that through the second quarter approximately 32% of the Administrative has been spent, with the grants management software line item being the largest unspent item that is expected to be spent by the end of the fiscal year.</p>	
<p>8.b.ii. Agency Operations Committee - FY 2011 Second Quarter Budget to Actual Programs Budget Dr. Foster indicated only 20% of the Programs budget had been spent because grants are paid on a cost reimbursement basis and expenditure totals typically run at least one quarter behind.</p>	
<p>8.c. Discussion and Possible Action on the Purchase of Grants Management Software Dr. Foster reported that the Office of State Finance, with input from TSET staff and other state agency staff, has selected Agate Software, the makers of “E-Grants” as the vendor to provide a grants management system for TSET and other state agencies. Agate staff have conducted an assessment of TSET’s needs and a gap analysis, created a proposed plan of action and budget. An additional \$35,000 is needed for the purchase, set up, and customization of the system for TSET’s needs in FY 2011. The total cost is estimated at approximately \$165,000 in FY 2011 and approximately \$6,000 to \$10,000 per year after launch.</p>	<p>Committee recommended approval of the grants management software and the additional \$35,000 in start up costs for FY 2011. Recommendation approved unanimously.</p>
<p>8.d. Consideration and Possible Action on FY 2011 Budget Revision Dr. Foster reported that the proposed budget revision reduces the Unsolicited Proposals budget by \$125,500, leaving a balance of \$123,500 for the remainder of FY 2011. It includes the \$50,000 for the contract with the Training and Technical Assistance Consortium for the nutrition and fitness initiative, an additional \$35,000 for grant reviewers, and an additional \$40,000 for the grants management software start-up costs. Tracey Strader explained that the vote just taken to increase the grants management software budget by \$35,000 was actually supposed to be for \$40,000. This budget revision correctly states the \$40,000 amount. She also clarified that the funds would be moved from the Unsolicited Proposals line, which is in the Programs budget, to the Grants Management Software line, in the Operating budget. As a result, the Programs budget would be reduced by \$40,000 and the Operating budget would be increased by \$40,000.</p>	<p>Committee recommended approval of the FY 2011 budget revision. Recommendation approved unanimously.</p>

Agenda Item and Discussion	Action and Follow-up
<p>9.a. Proposed Executive Session - Review and discussion of Unsolicited proposals, as authorized by the Open Meeting Act – 25 O.S. § 307(b)(7) and as required to preserve confidentiality under 62 O.S. Supp. 2006, § 2309(C)(4)</p> <p>John Kennedy left the room.</p>	<p>Motion to move into Executive Session to discuss unsolicited proposals made by Casey Killblane and seconded by Susan Bizé. Motion passed unanimously.</p> <p>Motion to move out of Executive Session made by Casey Killblane and seconded by Dr. Foster. Motion passed unanimously. John Kennedy was not present for the vote.</p>
<p>John Kennedy returned to the meeting. Ken Rowe left the meeting.</p>	
<p>9.b. Consideration and possible vote on items from Executive Session</p>	<p>Motion to request full proposals from four of the unsolicited proposals applicants, made by Susan Bizé and seconded by Bill Lissau. Motion passed unanimously. Ken Rowe was not present for the vote.</p>
<p>Ken Rowe returned to the room.</p>	
<p>10. New Business – any matter not known about or which could not have been reasonably foreseen prior to the time of posting the agenda [25 O.S. § 311 (A)(9)] Ken Rowe called for new business. There was no new business</p>	
<p>11. Public Comment Ken Rowe called for public comment. There was no public comment.</p>	
<p>12. Adjournment</p>	<p>Motion made to adjourn made by Dr. Nowlin and seconded by Ken Rowe. Motion passed unanimously.</p>