

Oklahoma Tobacco Settlement Endowment Trust
Board of Directors
Minutes
September 12, 2013

Board of Directors Members Present: Casey Killblane, George E. Foster, O.D., Jim Gebhart, Curtis Knoles, M.D.; Lisa Nowlin, D.D.S.; Don Millican

Board of Directors Members Absent: Kenneth D. Rowe

Staff Present: Tracey Strader, Dorothy Antwine, Julie Bisbee, Jonás Mata, Sjonna Paulson, Sharon Howard, Connie Befort, Lance Thomas, James Tyree, Jennifer Wilson

Guests Present: Terry Cline, PhD, Secretary of Health and Human Services and Commissioner of the Oklahoma State Department of Health; Gary Jones, State Auditor and Inspector; Julie Cox Kain, OSDH; Frank Merrick, Foundation Management, Inc.; Lisa Murray, State Treasurer’s Office; Jan Preslar, Assistant Attorney General’s Office; Jennifer Treadwell; Dr. Bob McCaffree, OTRC; Laura Beebe, PhD., OTRC; Greta Anglin, Visual Image; Lindsay Funk, VI; Kristin Culver, Oklahoma City County Health Department.

Media Present: Christine Southern, eCapitol

Agenda Item and Discussion	Action and Follow-up
<p>1. Open Meeting Act Announcement and Call to Order Casey Killblane announced that the requirements of the Open Meeting Act, including the filing of the meeting and posting of the agenda had been met. She called the meeting to order at 10 a.m.</p>	
<p>2. Approval of minutes of the May 9, 2013 regular board meeting and June 3, 2013 special board meeting Regarding an item in the May minutes, Casey Killblane said Dorothy Antwine checked with the building landlord and TSET building signage could be added if TSET expanded its lease space in the building.</p>	<p>Motion to approve May 9, 2013 regular board meeting and June 3, 2013 special board meeting minutes made by Gebhart and seconded by Foster. Motion passed unanimously.</p> <p>Kenneth Rowe is absent.</p>
<p>3.a. Board of Investors update – Update from the Board of Investors Lisa Murray is the Chief Investment Officer from the State Treasurer’s Office and is assigned to the Board of Investors and TSET. Murray told the board she is a 3-year cancer survivor and supports the trust fund’s mission.</p> <p>Murray said that Tobacco Settlement Endowment Trust Fund investments earned 10.5 percent in Fiscal Year 13. Murray said the second quarter of FY2013 had a lot of market volatility, but the fund made up for the losses. As of June 30, 2013, the fund has earned 3.7 percent and remains on target.</p>	

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<p>Murray also reported that the Board of Investors recently selected two real estate portfolio managers through a competitive process. Murray also said that the Board of Investors increased the fund’s commitment of private debt to \$25 million. Murray said the changes are meant to make the portfolio more robust. The Board of Investors consultant, NEPC, recommended that the Board of Investors add a global tactical asset allocation. A Request for Proposals for global asset manager is expected to be released in October with the Board of Investors making a selection at their November meeting.</p>	
<p>3.b. Board of Investors update – Status of FY 2013 audit Finley & Cook, Inc. is nearing the completion of field work for the FY2013 audit and a report is expected in October.</p>	
<p>3.c. Board of Investors update – Status of FY 2013 earnings At the August meeting, the Board of Investors certified \$35,068,801 in earnings to fund grants and programs as determined by the TSET Board of Directors. Murray said that unrealized gains were not in the calculation of earnings. Board Member Don Millican asked about the duration on fixed income. Murray said it is long term, and the Board of Investors would like to shorten the duration, but are looking at the right mix and allocation to maximize earnings. Board Chairman Casey Killblane asked if there would be another certification of earnings in November, after the audit is finalized. Murray said there would be a finalization of earnings in November.</p>	
<p>4.a. Chair’s Report - Presentation – <i>Facing the challenge: tobacco use and obesity in Oklahoma, Health and Human Services Secretary Dr. Terry Cline</i> Cline commended TSET on its outstanding grants and programs with effective outcomes. Cline also thanked the Board of Directors for their continued commitment to partnership with the Oklahoma State Department of Health. Cline thanked Dr. George Foster for his active participation in the August State Board of Health Meeting. Cline said that shared efforts such as community efforts, the Shape Your Future campaign and incentive grants are helping to improve the state’s health. Cline said new figures from the 2012 Behavior Risk Factor Surveillance Survey that showed more “never smokers” in Oklahoma prompting Oklahoma to improve its ranking among states to 39th from 47th. The rate of smoking prevalence in Oklahoma is at a historic low at 23.3 percent. In 2011, the rate of smoking prevalence was 26.1, according to BRFSS. Cline said, “We would not have seen</p>	

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<p>these successes, this progress, if it were not for the efforts of the Tobacco Settlement Endowment Trust.” Cline also pointed out Oklahoma still need to work on preventing tobacco use among youth. Oklahoma was in the bottom 10 states for ranking of youth perceived risk of tobacco use, according to the Oklahoma Tobacco Youth Tobacco Survey, 2005-2011.</p> <p>Executive Director Tracey Strader said new media campaigns are expected to be released from both the Legacy Foundation and the FDA to prevent youth tobacco use. TSET and OSDH intend to learn more about those campaigns and leverage them as much as possible.</p>	
<p>4.b. Chair’s Report - Discussion of December planning retreat and anticipated meeting dates for 2014</p> <p>Killblane updated the board on the Board Retreat dates. The retreat will be at the Canebrake in Wagoner, Okla. on Dec. 3 and Dec. 4. Consultant Frank Merrick will facilitate the retreat. Killblane encourages board members to think about what additional items they would like to discuss at the retreat and send them to Merrick.</p>	<p>Agenda items for board retreat to Frank Merrick.</p>
<p>4.c. Chair’s Report - Recent and upcoming community events</p> <p>Killblane said the board should have 2014 board meeting dates at the December meeting. A February meeting may be held at the Stephenson’s Cancer Center and the TSET Board of Directors would honor the TSET Research Scholars. Killblane also talked about her attendance at the Kevin Durant Basketball Camp that was sponsored by Shape Your Future. Killblane said it was a good use of promotion dollars because children and their parents attended the event and learned about how to eat better, move more and be tobacco free. Killblane said the event also educated the children and families on the Shape Your Future campaign.</p> <p>Board Vice Chair George Foster told board members about his experience delivering a big check to the Sand Springs city council as part of the Healthy Communities Incentive Grant program. Foster said the grant to Sand Springs will help develop a master plan for sidewalks in the community.</p>	<p>Secure board dates; get dates from SCC on February meeting.</p>

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<p>5.a.ii. Director’s Report - Staffing updates - Recognition of Sjonna Paulson’s volunteer service to the City of Moore Strader commended Health Communications Director Sjonna Paulson for her efforts to assist the City of Moore public relations during the aftermath of the May tornadoes. Strader recognized Paulson for her “heroic effort,” to be of service to her community. Paulson has also been appointed to the City of Moore’s board that determines how federal recovery dollars are spent.</p>	
<p>5.b. Director’s Report - TSET Certified Healthy Business application Healthy Communities Incentive Grant Program Manager Connie Befort updated the board on TSET’s application to be a Certified Healthy Business. Befort said TSET would pursue the application, meeting all the criteria for “excellent.”</p>	
<p>5.c. Director’s Report - Recent and upcoming training events Strader updated the board on recent trainings and events, including the recent Turning Point Conference, Health and Human Services Cabinet meeting, State Board of Health Retreat, Oklahoma Health Care Authority Board retreat.</p> <p>Strader also updated the board on the Smokeless and Spit Tobacco Summit, in Montana, where two Oklahomans were honored for their efforts to educate on the dangers of spit tobacco as recipients of the Cliff Niles Award. Niles, who recently died of cancer, was a former spit tobacco user and tobacco control worker in Enid.</p> <p>Strader also updated the board on her attendance at a Centers for Disease Control and Prevention listening session on e-cigarettes and the ongoing scientific research.</p> <p>Strader made the board aware of upcoming events:</p> <ul style="list-style-type: none"> • Annual Meeting, Oct. 29-30 • Southern Obesity Conference, Nashville, Tenn., Nov. 17-19 • Certified Healthy Oklahoma Event, February 13, 2014 • Grant Makers in Health Fall Forum, Washington, D.C., Oct. 23-25 • Grant Makers in Health Conference on Engaging Communities to Create Healthy Environments, Denver, Colo., Nov. 13. • TSET Day at the Capitol, April 9, 2014 • TSET Health Communications Summit, Jan. 8-10, 2014 	<p>Provide date for certified healthy event</p> <p>Updated events sheet</p>

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<p>6.a. Public Information and Outreach Report - Update on sharing the mission Public Information and Outreach Officer Julie Bisbee updated board members of efforts to educate and inform the public about TSET’s work and mission. Since the last board meeting, TSET has been mentioned in 17 positive media stories, including stories about the new smoking prevalence ranking by the Behavioral Risk Surveillance Survey. Oklahoma reported its lowest smoking prevalence in history.</p> <p>Bisbee said work to update and improve the TSET website continues. Bisbee said purchase orders to update and make changes to the website have been processed and work by ok.gov is expected to begin in the next few weeks.</p>	
<p>6.b. Public Information and Outreach Report - 10th Anniversary of the Oklahoma Tobacco Helpline The 10th anniversary of the Oklahoma Tobacco Helpline was celebrated Aug. 22. Bisbee told board members that more than 250,000 Oklahomans have accessed cessation services. Bisbee also updated the board on the recent report by the North American Quitline Consortium that said Oklahoma’s helpline was ranked top in the nation for reaching tobacco users. Bisbee referred board members to report in their packet.</p>	
<p>6.c. Public Information and Outreach Report - Conference sponsorships TSET staff have attended more than 20 conferences or community meetings;/events, reaching more than 5,000 people. To date \$23,600 in conference sponsorships have been approved. Bisbee referred board members to the list of conferences in their board packet.</p>	
<p>6.d. Public Information and Outreach Report - Policy updates – upcoming health related interim studies Bisbee updated the board on legislative interim studies, including an interim study that seeks to look at TSET funds and Insure Oklahoma. Bisbee referred to a list of interim studies in the board packet.</p>	
<p>7.a. Program Development Committee - Update on Disaster Relief Funding Consultant Frank Merrick updated the board on its pledge to use \$1 million for long-term disaster relief efforts. Merrick said he met with several different groups, including the United Way of Central Oklahoma and the U.S. Chamber. Merrick said so many groups</p>	

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<p>have committed funds to help with long-term needs. TSET reimburses grantees for expenses and that could present challenges for some agencies and groups providing services. Merrick said he will continue to work with United Way of Central Oklahoma to identify needs for tornado survivors.</p>	
<p>7.b. Program Development Committee - Discussion and possible action to on proposed program revisions for the Healthy Communities and Healthy Schools Incentive Grants programs Director of Grants and Programs Jonas Mata discussed a change grant awards for the Healthy Schools Incentive Grant Programs. In FY14, individual school sites will be able to apply for grants. Grant awards have also increased. Under the new guidelines, school districts administrative offices can apply to be Certified Healthy Businesses, but individual schools sites would be able to apply for grants, when they become Certified Healthy Schools. Schools that only offer healthy options for concessions or fundraisers would be eligible for an additional bonus grant. Sharon Howard, program manager for Healthy Schools Incentive Grants program said the standards on fundraisers and concession are in line with the Institute of Medicine standards. Mata said elementary schools may be most apt to meet the guidelines for healthy concessions.</p>	<p>Program Development Committee recommended the program revisions for the Healthy Communities and Healthy Schools Incentive Grants programs. Motion passed unanimously.</p> <p>(Kenneth Rowe was absent)</p>
<p>7.c. Program Development Committee - Discussion and possible action on hiring a consultant to assist with conducting an assessment of school-based health education in Oklahoma. Board Member Lisa Nowlin said Oklahoma does not have mandated health education and the committee recommended hiring a consultant to conduct an assessment of school-based health education. Millican asked how much a consultant would cost. Strader said \$50,000 has been budgeted as a placeholder in the budget revision. Strader said it is important to assess the current health education offerings across the state, as it varies from district to district. Board member Curtis Knoles asked if the consultant could also make recommendations on how to address health education in Oklahoma. Board member Jim Gebhart says when Mercy Hospitals holds community meetings health education is often a topic of discussion. Strader said it would be ideal to have a report and recommendations by the May board meeting. It may be that one or more of the current TSET TA or evaluation providers might be able to conduct the scan, or it may be necessary to do a Request for Information or Request for Proposals.</p>	<p>Program Development Committee recommended hiring a consultant to assist with conducting an assessment of school-based health education in Oklahoma. Motion passed unanimously.</p> <p>(Kenneth Rowe was absent.)</p>

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<p>7.d. Program Development Committee - Discussion and possible action on a proposed plan of action to prepare for the release of a Request for Proposals for a community-based grant program in wellness (to address at the board’s prevention priorities of tobacco and obesity prevention). Anticipated release October 2014.</p> <p>Nowlin said the committee recommended moving forward with a plan to release a wellness RFP in October 2014. The new RFP would combine community-based work in tobacco and physical activity and nutrition. All current grantees would have an opportunity to submit a proposal for competitive grant funding.</p>	<p>Program Development Committee recommended a proposed plan of action to prepare for the release of a Request for Proposals for a community-based grant program in wellness (to address at the board’s prevention priorities of tobacco and obesity prevention). Motion passed unanimously.</p> <p>(Kenneth Rowe was absent.)</p>
<p>7.e. Program Development Committee - Discussion and possible action on proposed parameters for a one-year Request for Proposals, to avoid a break in service for the Communities of Excellence in Tobacco Control Wave I program during TSET’s transition to a new community-based wellness approach. Anticipated release October 2013.</p> <p>The committee recommends a one year grant for Tobacco Control Wave I so there is no lapse in service between when Wave I tobacco control grants end and new funding for community-based wellness grants begin, Nowlin said.</p>	<p>Program Development Committee recommended a parameters for a one-year Request for Proposals, to avoid a break in service for the Communities of Excellence in Tobacco Control Wave I program during TSET’s transition to a new community-based wellness approach. Motion passed unanimously.</p> <p>(Kenneth Rowe was absent.)</p>
<p>7.f. Program Development Committee - Discussion and possible action on funding of trails, playgrounds, and similar built environment projects.</p> <p>Nowlin said the committee recommends delaying a decision on funding capital projects to allow staff more time to research. TSET has not funded capital projects in the past.</p>	<p>Program Development Committee recommended delaying decision until December retreat. Motion passed unanimously.</p> <p>(Kenneth Rowe was absent.)</p>

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<p>8.e. Program Implementation Committee report - Discussion and possible action on funding an evaluation of the <i>Shape Your Future</i> campaign</p> <p>Program Implementation committee chair Jim Gebhart asks that item 8e be moved up. Gebhart says there is currently \$80,000 that be used for Shape Your Future evaluation. The committee has recommended \$330,000 a year for the next three years to evaluate the effectiveness of the Shape Your Future campaign.</p> <p>Foster said the OTRC currently has \$140,000 in carryover from FY13, and he has concerns about allocating additional dollars when the money from the previous year was not fully used.</p> <p>Beebe clarified that the TSET budget and the OTRC evaluation budget were different. Strader said it’s not uncommon for programs to have a 10 percent lapse from year to year and that grantees are paid on a reimbursement after work has been performed.</p> <p>Gebhart said it is important to have funding to evaluate TSET-funded efforts to ensure it is effective.</p>	<p>Program implementation committee recommended additional funding of \$250,000 for FY14 for a total of \$330,000 for the evaluation of the <i>Shape Your Future</i> campaign. Motion passed unanimously.</p>
<p>8.b. Program Implementation Committee report - Notification of finalization of grant awards for Communities of Excellence grants in Tobacco Control and Physical Activity and Nutrition</p> <p>Grant awards to Communities of Excellence grantees were finalized by the staff and Program Implementation committee, per the board’s directive in May 2013. Grants are listed in the board packet.</p>	
<p>8.c. Program Implementation Committee report - Discussion and possible action on the Oklahoma Tobacco Research Center’s use of carryover funding from FY 2013 for additional research projects.</p> <p>Gebhart said the committee recommends moving forward with using carryover funds for the OTRC. Foster asks about the carryover and said that OTRC has carryover each year and he could not support increasing the FY2014 budget.</p>	<p>Program Implementation Committee recommended the Oklahoma Tobacco Research Center’s use of carryover amount of \$140,000 from FY 2013 for additional research projects. Motion passed, 5-1. Foster voted no. (Kenneth Rowe was absent.)</p>

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<p>8.d. Program Implementation Committee report - Update on FY 2014 health communications</p> <p>Health Communications Director Sjonna Paulson updated the board on Health Communications efforts. Paulson said there is currently a pilot program to use Shape Your Future ads in shopping malls and the Plaza Mejer in south Oklahoma City would be one of the first test markets. Paulson said Plaza Mejer was largely a Hispanic audience and Shape Your Future messages, ads, would be bilingual. Shape Your Future branding would also be done at the Lawton mall, as it draws consumers from rural communities as well. Paulson said the partnership with the Oklahoma Thunder had been expanded. Tobacco Stops with Me ads would continue in the bathrooms and Shape Your Future would be sponsors at Sunday home games.</p> <p>Paulson updated the board on the development of new messages for the Shape Your Future television commercials, which are currently in development. Paulson said the message would be from the child’s point of view. There is also a testimonial component under development for Shape Your Future. Messaging for Tobacco Stops With Me would continue to focus on the dangers of secondhand smoke, focusing on the toxic, cancer causing chemicals found in second hand smoke. On Sept. 24, Gov. Mary Fallin, medical doctors and other health providers planned to participate in a press conference for the Oklahoma launch of “Talk With Your Doctor” campaign aimed at encouraging people to involve their medical doctors in their efforts to stop using tobacco. Knoles said it was wise to educate physicians on tobacco cessation and that very little is taught to physicians in medical schools about cessation.</p>	
<p>8.f. Program Implementation Committee report - Update on status of the Public Health Academy of Oklahoma</p> <p>Director of Grants and Programs Jonas Mata updated the board on efforts to streamline and combine public health training efforts. Mata said partnership among agencies and groups would be key to its success moving forward.</p>	
<p>9.a. Agency Operations Committee report - Update on grants management software</p> <p>Foster, agency operations committee chairman, commended staff for their work on the online grants management software. Mata said progress was being made to get more grantees on the online system. Some tobacco control grantees are already using the online .</p>	

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<p>system to submit their budgets and invoices. Mata also said that conference sponsorships would be the next grant program to go online. Mata said additional staff might be needed to do maintenance when the entire system goes online.</p>	
<p>9.b. Agency Operations Committee report - Discussion and possible action on office space expansion, contingent upon request to OMES</p> <p>Strader updated the board on the status of inquiring about additional space. Killblane said this vote would allow staff to move forward on securing additional space, pending OMES approval.</p>	<p>Agency Operations Committee recommended office space expansion, contingent upon request to OMES. Motion passed unanimously.</p> <p>(Ken Rowe was absent)</p>
<p>9.c.i. Agency Operations Committee report - FY 2013 Fourth Quarter Budget to Actual - Operating Budget</p> <p>Foster said 60 percent of the administrative budget had been spent. FY13 budget will be closed out at the December meeting, Strader said. Millican asked why only 60 percent of the operating budget had been spent. Strader said travel and grants management software were under budget.</p>	<p>Send an email to let board members know where the lapse in budget to actual in the operating budget for FY13.</p>
<p>9.c.ii. Agency Operations Committee report - FY 2013 Fourth Quarter Budget to Actual - Programs Budget</p> <p>Foster said 65 percent of the FY13 program budget had been spent. Foster said only 10 percent of the supply budget had been spent. Strader said a large print job for the Students Working Against Tobacco program had been pushed back.</p>	
<p>9.d. Agency Operations Committee report - FY 2014 budget revision to increase evaluation budget for Shape Your Future campaign, office space, and a consultant to assess health education; reflect the addition of carryover for the OTRC, and adjust the budget to reflect final figures from all Communities of Excellence awards, contract with the Office of the State Treasurer, and contract for evaluation of the Healthy Communities and Healthy Schools Incentive Grants programs.</p> <p>Foster said the budget revision items had been discussed in committee and the committee has recommended approval. Killblane asked if there was any discussion. There was not discussion.</p>	<p>Agency Operations Committee recommended FY 2014 budget revision to increase evaluation budget for Shape Your Future campaign, office space, and a consultant to assess health education; reflect the addition of carryover for the OTRC, and adjust the budget to reflect final figures from all Communities of Excellence awards, contract with the Office of the State Treasurer, and contract for evaluation of the Healthy Communities and Healthy Schools Incentive Grants programs. Motion passed unanimously.</p>

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<p>After the vote, Killblane recognized Julie Cox Kain, Chief Operating Officer at the State Department of Health, and asked her if she would like to speak. Cox Kain said she appreciated the collaboration between the Health Department and TSET.</p>	<p>(Kenneth Rowe was absent.)</p>
<p>10. Proposed Executive Session</p> <p>a. 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>b. Board of Directors to discuss evaluation of the executive director as authorized by 25 O.S. § 307(B)(1).</p>	<p>Motion to move in to Executive Session made by Foster and seconded by Gebhart. Motion passed unanimously.</p> <p>Motion to move out of Executive Session made by Millican and seconded by Foster. Motion passed unanimously.</p> <p>(Kenneth Rowe was absent).</p>
<p>11. Consideration and possible action on items from Executive Session</p> <p>Foster makes the motion not to accept an unsolicited proposal from one of the applicants as discussed in executive session. Nowlin seconds.</p> <p>Gebhart makes a motion to request a full proposal on a program that proposes fitness testing in schools and a state park program as part of a children’s package. at the budget would be approximately \$250,000 per year over multiple years.</p>	<p>Motion to not to accept the unsolicited proposal from one of the applicants as discussed in Executive Session made by Foster and seconded by Nowlin. Motion passed unanimously.</p> <p>Motion to request a full proposal on the unsolicited Children’s Package proposal as discussed in Executive Session made by Gebhart and seconded by Knoles. Motion passed unanimously.</p> <p>(Kenneth Rowe was absent).</p> <p>Dr. Foster said that board was pleased with Strader’s performance and, as chair of the agency operations committee, he would review her performance appraisal with her after the board meeting.</p>

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12 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)]	
13. Public Comment Killblane asked if there was public comment. There was none.	
14. Adjournment	
	Motion to adjourn made by Nowlin and seconded by Gebhart. Motion passed unanimously.