

Oklahoma Tobacco Settlement Endowment Trust
Board of Directors
Minutes
December 3, 2013

Board of Directors Members Present: Casey Killblane, George E. Foster, O.D., Jim Gebhart, Curtis Knoles, Lisa Nowlin, D.D.S., Kenneth D. Rowe

Board of Directors Members Absent: Don Millican

Staff Present: Tracey Strader, Dorothy Antwine, Julie Bisbee, Jonás Mata, Sjonna Paulson (joining by phone)

Guests Present: Frank Merrick, president, Foundation Management; R. John Young, CEO, McLaughlin Young Group

Agenda Item and Discussion	Action and Follow-up
<p>1. Open Meeting Act Announcement and Call to Order TSET Board of Directors Chairman Casey Killblane called the meeting to order at 11:45 a.m.</p>	<p>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.</p>
<p>2. Approval of minutes of the September 12, 2013 Regular Board Meeting Killblane asks if there are any changes needed for the meeting minutes. There are none.</p>	<p>Motion to approve September 12, 2013 regular board meeting made by Rowe and seconded by Gebhart. Motion passed unanimously. (Don Millican was absent.)</p>
<p>4.a. Chair’s Report – Discussion and possible action on board meeting dates for 2014 Killblane discussed upcoming board dates for 2014:</p> <p>Feb. 27 at the Stephenson Cancer Center. May 15, 2014 Sept. 11-12, 2014, Board retreat Nov. 13, 2014</p>	<p>Motion to approve board meeting dates for 2014 made by Foster and seconded by Rowe. Motion passed unanimously. (Don Millican was absent.)</p>

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<p>3. Update from the Board of Investors and additional certified earnings – Lisa Murray, Chief Investment Officer, Office of the State Treasurer (presentation by phone)</p> <p>Murray joined the meeting by phone. Murray said overall the market remains strong and the Board of Investors is working to balance risk and keep an eye on new opportunities for investment. Trust Balance to date is at \$850 million. The fund has seen significant gains from the second to the third quarter. The third quarter return was 4% for the Fund, in comparison to -0.3% for the previous quarter. Board of Investors certified \$39 million in earnings, includes \$1 million from reserves. Board Member Ken Rowe asked what the target was for equities. Murray said as of Sep. 30, 2013 the Fund was in the policy range with 45% in equities.</p>	
<p>4.b. Chair’s Report – Discussion and possible action on resolution in support of effective public policy to prevent youth access to e-cigarettes/vapor products</p> <p>Killblane explains the resolution supports keeping e-cigarettes and vapor products away from children under 18. Killblane asks if there is any discussion. There is no discussion.</p>	<p>Motion to approve resolution in support of effective public policy to prevent youth access to e-cigarettes/vapor products made by Gebhart and seconded by Knoles. Motion passed unanimously. (Don Millican was absent.)</p>
<p>4.c. Chair’s Report – Discussion and possible action on resolution in support of effective public policy to disclose where smoking is or is not allowed in multi-unit housing</p> <p>Killblane summarizes the resolution that supports legislation to require owners to disclose the smoking policies of their apartments, rental properties. Killblane said it’s important that renters know the smoking policy of a rental property before they enter a lease. Killblane asks if there is any discussion. There is no discussion.</p>	<p>Motion to approve resolution in support of effective public policy to disclose where smoking is or is not allowed in multi-unit housing made by Gebhart and seconded by Rowe. Motion passed unanimously. (Don Millican was absent.)</p>
<p>5.a. Director’s Report – Recent and upcoming training events</p> <p>Executive Director Tracy Strader tells board about upcoming Certified Healthy Oklahoma event on Feb. 13, 2014 in Norman. Strader also discusses upcoming conferences and training events. Board Vice Chairman George Foster and Killblane complimented TSET Executive Director Tracey Strader on her presentation at the Warner Series with the Legacy Foundation in Washington, D.C.</p>	<p>Board to let staff know if they want to attend Certified Healthy event. Send reminders on training or calendar invites for board members. – Dorothy to confirm. Board members would like a list of who is Certified Healthy and who will be attending the event.</p>

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<p>5.b. Director’s Report – Report on FY 2013 annual audit – Stewart Boutwell, CPA, Audit Manager, Finley & Cook (presentation by phone) Boutwell joined by phone and said the audit was clean and there were no significant weaknesses in TSET’s accounting procedures. Killblane asked if there were any questions, there were none. Board Member Ken Rowe congratulates staff on clean audit.</p>	
<p>6.a.i. Public Information and Outreach Report – Update on sharing the mission - Promotional videos (George Foster exits and returns to meeting.) Public Information and Outreach officer Julie Bisbee updated the board on ongoing efforts to educate the public on TSET’s mission. Bisbee showed Board members two information videos on TSET’s work. One focused on grant work. The second video highlighted the Health Communications work with Tobacco Stops with Me. Board members said the videos looked good. Board Member Lisa Nowlin asked when the videos would be available to board members to do in their outreach. Bisbee said there were still edits that needed to be made, but that videos would be housed on the new TSET website.</p>	
<p>6. a.v. Public Information and Outreach Report – Update on sharing the mission - Editorial board meetings Bisbee said Killblane and Strader completed an editorial board with The Oklahoman last quarter and it was a positive meeting. Bisbee said staff and board would continue to work on scheduling editorial.</p>	
<p>6.a.ii. Public Information and Outreach Report – Update on sharing the mission - Update on economic impact study through the OTRC Bisbee told board members that Dr. Fritz Laux, an economist from Northeastern University who has a grant with OTRC is working to compile information about the economic impact of TSET’s investment in cancer research in Oklahoma and other grants.</p>	
<p>6. a.iii. Public Information and Outreach Report – Update on sharing the mission - TSET history project and FY 13 Annual Report Julie Bisbee said former and current board members will be interviewed as part of the video project. Will be advised of dates.</p>	
<p>6. a.iv. Public Information and Outreach Report – Update on sharing the mission - TSET website renovation and social media Bisbee gave the board an update on the TSET website and the upgrade process with OK.gov. Bisbee said the new website was expected to be published in the first part of the 2014.</p>	

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<p>6. b. Public Information and Outreach Report – Update on sharing the mission - FY 2014 conference sponsorships Bisbee told board members that TSET staff and board members had approved \$38,600 sponsorship requests. Including a recent request to sponsor the Certified Healthy Oklahoma Event in February.</p>	
<p>6. c. Public Information and Outreach Report – Update on sharing the mission - Policy updates and legislative inquiries Bisbee updated the board on a pending interim study request involving TSET. No study date has been set. Bisbee told board members the 2014 legislative session begins Feb. 3, 2014, with bill filing beginning later in December.</p>	
<p>7.a. Program Development Committee Report – Update on Disaster relief funding Consultant Frank Merrick updated the board on ongoing discussions with the United Way of Central Oklahoma on how to spend the \$1 million in TSET funds allocated for emergency relief. Merrick said United Way officials were still exploring options and he expected to have an update for the board in February.</p>	
<p>7.b. Program Development Committee Report – Discussion and possible action on increase in budget for conference sponsorships Committee Chair Nowlin said the committee recommended increasing the TSET sponsorship budget to \$75,000. Board vice chair Dr. George Foster said sponsorships contributed to our mission of promoting education in the health field. Foster said staff also work to ensure that TSET’s contribution is recognized and TSET is promoted.</p>	<p>Program Development Committee recommended a budget increase for conference sponsorships from \$50,000 to \$75,000. Motion passed unanimously.</p>
<p>8.a. Program Implementation Committee Report – Outcomes from the annual reports of the Oklahoma Tobacco Helpline, Communities of Excellence in Physical Activity and Nutrition, and the Oklahoma Tobacco Research Center Strader called the Board’s attention to the annual reports of grantees included in their board packets.</p>	
<p>8.b. Program Implementation Committee Report – Update on status of grant and matching funds for the Oklahoma After School Network Program Implementation Committee Chairman Jim Gebhart updated the board on the matching funds for TSET grant with the Oklahoma After School Network. Director of Programs and Grants Jonás Mata said the Oklahoma State Department of Education withdrew its matching funds and the grantee had found another source of matching funds. Gebhart said the committee recommended continuing the work with the updated information.</p>	

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<p>Mata said matching funds for the TSET grant to the Oklahoma After School Network will be from the Charles Stewart Mott Foundation, the Communities Foundation of Oklahoma.</p> <p>Foster asked why the State Department of Education withdrew its funding. Mata said the two groups struggled to work in unison. Mata said the Oklahoma After School Network would be piloting its standards in 10 afterschool programs and would be looking at behavior change, attitudes and knowledge of kids about health. Mata said he expects to see data and outcomes by the end of the fiscal year. If the outcomes showed positive change, the standards could be shared statewide, Mata said.</p> <p>Gebhart said no board action was required, but it was an update with staff.</p>	
<p>8.c. Program Implementation Committee Report – Love County notice of withdrawal from Communities of Excellence in Physical Activity and Nutrition program, effective June 30, 2014</p> <p>Mata told board members that Love County’s Communities Excellence Physical Activity and Nutrition grantee had submitted a notice of withdrawal, effective at the end of FY 2014. Mata said the grantee has agreed to complete the FY14 workplan. No board action was required.</p>	
<p>8.d. Program Implementation Committee Report – Grant assignment from Central Oklahoma Turning Point to Wellness Now coalition for Communities of Excellence in Tobacco Control, Wave I, effective January 1, 2014</p> <p>Mata said the Central Oklahoma Turning Point and Wellness Now Coalition have merged and Wellness Now will now be the grantee. The fiscal agent for the grant remains the same.</p>	<p>Program Implementation Committee recommends approval of grant assignment change effective January 1, 2014. Motion passed unanimously. (Don Millican was absent.)</p>
<p>8.e. Program Implementation Committee Report – Discussion and possible action on renewal of contract with the Office of Management and Enterprise Services, Employees Group Insurance Division (EGID) for Oklahoma Tobacco Helpline services for Calendar Year 2014</p> <p>Committee recommended approval.</p>	<p>Program Implementation Committee recommended renewal of contract with the Office of Management and Enterprise Services, EGID for Oklahoma Tobacco Helpline services for Calendar Year 2014. Motion passed unanimously. (Don Millican was absent.)</p>
<p>8.f. Program Implementation Committee Report – Discussion and possible action on extension of grant to Physician Manpower Training Commission</p> <p>Committee recommends extending the grant to the Physician Manpower Training Commission (PMTTC) for another four years and additional funding at \$584,000.</p>	<p>Program Implementation Committee recommended extension of grant to PMTC through FY 2021. Motion passed unanimously. (Don Millican was absent.)</p>

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<p>8.g. Program Implementation Committee Report – Presentation - Health Communication Updates Health Communications Director Sjonna Paulson gives her update by phone. Paulson updated the board on the KOCO on the Road promotion event in late September. The promotion took place near military bases, and during the weeklong events, the federal government shutdown and bases closed. Paulson said KOCO has provided additional promotional opportunities to make up for the decrease in foot traffic in communities where the bases were closes.</p> <p>Paulson said filming for new Tobacco Stops With Me commercials are in the works. Shooting for new Shape Your Future commercials is going on this week. The Oklahoma Tobacco Helpline has an ongoing promotion encouraging people to share their quit stories called, “Keep Calm and Be a Quitter.” Paulson said promotional materials for the Oklahoma Tobacco Helpline and the “Talk With Your Doctor” campaign had been shared with the Oklahoma State Medical Association.</p> <p>Paulson told board members she will be added to the Centers for Disease Control and Prevention’s Media Campaign Resource Center’s media advisory panel.</p> <p>Paulson said social media efforts on Twitter and Facebook continue to be helpful in promoting Shape Your Future messaging and the Oklahoma Tobacco Helpline. Paulson said the Oklahoma Tobacco Helpline gets about 80 to 100 online registrations each week. Digital advertising is also helping to promote those services.</p> <p>Paulson said calls to the Oklahoma Tobacco Helpline are down and staff is speaking with other states to see if they are having similar experiences. Paulson said there has not been an increase in complaints with the Helpline provider and marketing efforts have not dramatically changed.</p>	
<p>9.a. Agency Operations Committee Report - Discussion and possible action on a 3% salary increase for the Executive Director, effective September 1, 2013 Agency Operations Committee Chairman Foster said the board needed to take official action to award a salary increase to Executive Director Tracey Strader, effective September 1, 2013. Foster said the Board did not take official action at the last board meeting. Strader was recommended for a 3 percent raise based on her evaluation.</p>	<p>Agency Operations Committee recommends approval of a 3% salary increase for the Executive Director, effective September 1, 2013. Motion passed unanimously. (Don Millican was absent.)</p>
<p>9.b.i. Agency Operations Committee Report - Final FY 2013 Budget to Actual - Operating Budget Strader said she has been working with staff and committee members to bring the future budgets in line with expectations. Strader said some operating funds lapses because an anticipated contract was not awarded, as it had to be re-bid several times. (Lisa Nowlin and Ken Rowe exit and returns to meeting.)</p>	
<p>9.b.ii. Agency Operations Committee Report - Final FY 2013 Budget to Actual - Programs Budget Foster said there were some lag in spending program dollars. Strader said many Communities of</p>	

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<p>Excellence grantees are housed at county health departments and there has been a delay statewide in getting positions fills. Strader said the Oklahoma State Department of Health has made changes in its human resources procedures to hopefully cut down on delays. Strader said TSET staff will be working to make changes in the next year as well. Strader said the addition of the business analyst at TSET should help as well.</p>	
<p>9.c.i. Agency Operations Committee Report - First Quarter FY 2014 Budget to Actual - Operating Budget Foster said budgets seem to be in line for FY 2014.</p>	
<p>9.c.ii. Agency Operations Committee Report - First Quarter FY 2014 Budget to Actual – Programs Budget Foster said program budgets are in line. Strader said there is an effort to decrease lapses.</p>	
<p>9.d. Agency Operations Committee Report - Update on Grants Management Software Foster said the process of getting an online grants management system was moving slower than originally hoped. Staff continues to work with OMES and their contractor to meet specific requirements. (Killblane calls for a short break at 1:40 p.m., board returns at 2 p.m.)</p>	
<p>10. Overview of retreat purpose and goals Merrick gave an overview of the 2012 board retreat.</p> <ul style="list-style-type: none"> • Board members need think and discuss the future needs of TSET, including staffing and supervision. • Increased need to tell the story of the TSET mission. • Being transparent and accountable on how TSET dollars are spent. • TSET’s Board has an interest in policy and legislation, but would not be actively engaged on legislative issues. • Reserve policy to begin saving two years’ worth of expenses. • Increased effort to tag TSET funded projects and media campaigns with the TSET logo. • Joint meeting with the Board of Investors and Board of Directors 	<p>Schedule joint meeting of BOI and BOD. Could be meeting on the same day and lunch together to update on TSET work.</p>
<p>11.b. Review of progress in FY 2013 - Strategic plan Board members reviewed the current strategic plan and discussed what should be updated and what benchmarks had already been attained. Gebhart asked staff to review the plan and bring proposed new metrics to the board meeting. National averages for health indicators should be discussed in benchmarking. Oklahoma may be far behind in some areas of health, but national averages should be</p>	<p>Bring strategic plan back to board with proposed updated new measures, additional measures as discussed. Include leveraging dollars that Stephenson Cancer Center scholars</p>

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included to provide context. Possible benchmarks include adding the Physician Manpower Training Commission grant into the emerging opportunities and the number of counties reached by the Stephenson Cancer Center’s Phase I clinical trials.	bring to the state, independent of TSET.
<p>12.a. Current operations - Public relations and outreach</p> <p>The board discussed increased need for public outreach about TSET. Rowe said relationships need to be cultivated with people who understand the value of TSET’s mission. Knoles said the public needs to know what TSET is doing. The board discussed forming a standing board committee to look at public outreach and education on TSET efforts to improve the health of Oklahomans.</p>	<p>PR/Marketing TSET – Standing committee for board meetings; job description. With outside people on the committee. Required Committee. PR Committee to meet and brainstorm on products, how to use them and what items are needed for what audience? Invite John Kennedy.</p>
<p>12.b. Current operations - Current funding commitments</p> <p>Strader discussed current budget items and upcoming plans. Strader said she would be working with the business analyst avoid large lapses in program budgets. Board members also discussed future funding commitments. (Ken Rowe exits and returns to board meeting.)</p>	<p>Identify the \$7 million separately. How to deal with lapse (carryover)? Do unspent grantee dollars roll over? Can TSET budget through a lapse?</p>
<p>12.c. Current operations - Update on community grants transition to wellness (tobacco and physical activity and nutrition)</p> <p>Mata told board members that staff has met to discuss a new RFP and expected to have parameters in place for the new RFP by April.</p>	
<p>12.d. Current operations - Update on youth programs in tobacco and physical activity and nutrition</p> <p>Mata said Samuels and Associates did research on youth empowerment in Oklahoma and looked at other models. OSDH has also provided a concept for youth work. Mata said staff has asked for additional information.</p>	
<p>13.a. On the horizon - TSET and OSDH integrated work plan</p> <p>Strader updated the board on the shared workplan between TSET and OSDH. Strader said the groups looked at what was most likely to move the needle when developing the integrated plans. Strader said the two groups work well together by increasing efficiencies, leverages resources and creating synergy.</p>	
<p>13.b. On the horizon - Proposed staffing plan</p> <p>Strader discussed plans for additional staff. Six positions would be added and organizational changes are</p>	<p>Agency Operations Committee recommends approval of proposed</p>

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<p>being made. Kim McCoy would become Director of Grants, hire a grants manager and work under Strader’s supervision. Mata would become the Director of Programs and have three additional Program Officer positions. Another additional position would be an executive assistant to Strader, who would also serve as the board secretary. Health Communications would also add a position. Including the budgeted salaries for the new positions, administrative costs at TSET were at 3.6 percent. Killblane says it was reviewed and approved Agency Operations Committee.</p>	<p>additional staffing. Motion passes unanimously. (Don Millican was absent.)</p>
<p>13.c. On the horizon - Overview of executive coaching R. John Young, consultant, gives overview of executive coaching process.</p>	<p>Board members to set up times to talk with John Young. Send an email to set up time. rjyoung@mygroup.com</p>
<p>Recess – Chair calls recess at 5:40 p.m.</p>	

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Board of Directors Members Absent:

Staff Present: Tracey Strader, Dorothy Antwine, Julie Bisbee, Jonás Mata,

Guests Present: Frank Merrick, president, Foundation Management; R. John Young, CEO, McLaughlin Young Group

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<p>Call to Order TSET Board of Directors Chairman Casey Killblane called the meeting to order at 8:30 a.m.</p>	
<p>13.d. Recap of Tuesday’s discussion Merrick reminded board members of the previous day’s discussion to increase education efforts on TSET. Board members also discussed TSET’s role to engage and inform on statewide policy. Rowe suggests a new board committee work on identifying stakeholders to educate about the TSET mission. Millican said TSET should be listed as a partner with its logo on things that have been funded. Board members also recaped discussions of the reserve policy Tuesday. Millican said that TSET’s anticipated budget should be realistic to what will be spent. Board members asked staff to develop a plan for how to deal with budget lapses.</p>	<p>Write description for the new board committee. Develop a plan and policy for dealing with budgeting lapses.</p>
<p>13.f. School-based health education environmental scan Strader gave an update on efforts to learn more about health education efforts in Oklahoma and the need for an environmental scan. Strader said there may be a need to contract for an environmental scan.</p>	<p>Program and grant staff will continue to meet with stakeholders and leaders to identify research and other information on health education.</p>
<p>13.h. Discussion of root causes (social determinants) of health and the “big picture” solutions Strader presented information from the Robert Wood Johnson Foundation on the social determinants of health. Two videos from the Commission to Build a Healthier America were shown. Strader also mentioned the relationship between Adverse Childhood Experiences (ACE) and health in adults. Strader said there may be a need to pull a study group together. Strader said the Commission would issue recommendations in January. Millican presented to the board information on the Carrera Adolescent Pregnancy Prevention program at</p>	

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<p>Union Public Schools in Tulsa, funded by the George Kaiser Family Foundation. Millican said students enrolled in the Carrera program are more likely to go to college, have work experience and avoid teenage pregnancy. Millican said the program focused promoting holistic health for students to include physical and mental health as well as developing financial literacy and work experience.</p>	
<p>13.g. Protecting the Mission Board members discussed how Oklahoma’s endowment trust is a national model for how state’s protected their payments from the Master Settlement Agreement. Rowe asked if staff could get more information on how other state’s spent their MSA dollars</p>	<p>Staff to compile information on other state’s use of MSA dollars.</p>
<p>14. Retreat Wrap-up and Next Steps Merrick discussed major issues discussed at the retreat.</p> <ul style="list-style-type: none"> • A policy for budget lapses • Form a new committee to discuss ways to increase knowledge about TSET. 	<p>A policy for budget lapses</p> <p>Form a new committee to discuss ways to increase knowledge about TSET.</p>
<p>13.e. Capital Grants Board members discussed funding capital projects and whether TSET should invest in bricks and mortar projects. The current policy is not to fund bricks and mortar projects. Board members agreed to maintain the current policy. Killblane said board members would take a quick break. Break begins at 10:30 a.m. Board members return at 10:55 a.m.</p>	
<p>15. Proposed Executive Session 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). Board members move into executive session.</p>	<p>Motion to move into executive session by Foster and seconded by Rowe. Motion passed unanimously.</p>
<p>16. Consideration and possible action items from Executive Session Program Development Committee makes a recommendation fund the FitnessGram proposal with changes as discussed in executive session.</p>	<p>Program Development Committee makes a recommendation fund the FitnessGram proposal with changes as discussed. Motion passes unanimously.</p>
<p>17. Discussion and possible action on policy on funding capital project (Program Development Committee) Program Development Committee makes a recommendation not to fund proposal as discussed in executive session.</p>	<p>Program Development Committee makes a recommendation not to fund proposal as discussed in executive session. Motion passes unanimously.</p>

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<p>18. Discussion and possible action on FY 2014 Budget Revision to include funding for additional staff, conference sponsorships, and unsolicited proposals (Agency Operations Committee) Agency Operations Committee makes recommendation to approve the FY2014 budget revision to include additional staff, increased conference sponsorship budget and unsolicited proposals. The budget revision will reduce the full budget by \$126,450. The total budget with all income sources is \$41 million. Budget with TSET funds only is \$39.6 million.</p>	<p>Agency Operations Committee makes recommendation to approve the FY2014 budget revision to include additional staff, increased conference sponsorship budget and unsolicited proposals. Motion passes unanimously.</p>
<p>19.a. Election of Officers Killblane asked for nominations for board chairman and board vice chairman.</p>	<p>Foster nominates Killblane for board chairman. Rowe seconds. Motion passes unanimously. (Killblane abstains.) Nowlin nominates Gebhart as vice chair. Rowe seconds. Motion passes unanimously. (Gebhart abstains.)</p>
<p>19.b. Committee assignments Killblane said she will send an email with committee assignments. Killblane asks board members to let her know their committee preferences.</p>	
<p>20. 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)] Board members discussed possible retreat locations for the 2014 Board retreat. Killblane suggested Davis. Killblane asked if there was any new business. There was none. Boar</p>	
<p>21. Public Comment Killblane asked if there was any public comment. There was none.</p>	
<p>22. Adjournment Killblane asked for a motion to adjourn. Meeting was adjourned at 11:40 a.m.</p>	<p>Motion to adjourn made by Gebhart and seconded by Knoles. Motion passed unanimously.</p>