**Board of Directors Members present:**  *Jim Gebhart, Lisa Nowlin, DDS, Casey Killblane, George E. Foster, OD, Curtis Knoles, MD, Don Millican, Ken Rowe*

**Board of Directors Members absent:** None

**Staff Present:** *Tracey Strader, Julie Bisbee, Jonás Mata, Sjonna Paulson, Kim McCoy, Janet Love*

**Guests Present**: *Frank Merrick;* *Kevin Brown, Otey Johnson Foundation; Lisa Murray, Chief Investment Officer, State Treasurer’s Office, Nate Atchison, CPA, Finley & Cook; Wade Williams, with Stephenson Cancer Center; Paul Kincade, MD, OCASCR; Shelly Patterson and Daryn Kirkpatrick, Oklahoma Health Care Authority*

| **Agenda Items and Discussions** | **Action and Follow-Up** |
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| 1. **Open Meeting Act Announcement & Call to Order**
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| TSET Board of Directors Chairman Jim Gebhart called the meeting to order at 10:07 a.m. Jim announced TSET met all Open Meeting Act state requirements, including the filing of the meeting time and location with the Secretary of State and posting of the agenda. He then called the meeting to order. |  |
| 1. **Approval of minutes of the September 12-13, 2014 Regular Board Meeting and Planning Retreat**
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| Jim asked if there were changes to the September board meeting and retreat minutes. There were none announced.  | ***A motion to approve the Sep 12-13 regular board meeting and retreat minutes was made by Ken Rowe, seconded by Casey Killblane. Motion passed unanimously.*** |
| 1. **TSET Board of Investors’ Update Report, Lisa Murray**
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| Jim introduced TSET Board of Investors’ Chief Investment Officer, Lisa Murray, to the board.  Lisa provided a brief presentation of the issues addressed in the TSET Board of Investors November 12, 2014 meeting. The following points were provided:* To make the investment profile more diversified, the Investors are strategizing in both U.S. and foreign investment markets. The Fund is continuing to grow and has increased the private debt and real estate allocations. Lisa noted that confirmed commitments take time to get to their target allocations, because contributions are made only when the private debt and real estate managers make capital calls.
* Lisa discussed the revised target allocations noting that the model estimated overall expected enhanced annual returns of 6% for the next five to seven years and 7.3% on a thirty year basis.
* The Board of Investors interviewed high-yield money management firms, and selected INVESCO at the November 12, 2014 meeting.  Don Millican inquired on the commission of the additional commitments of $30 million and whether the returns reported in the Trust performance summary were gross or net of fees.
* Final certified earnings in the amount of $53.4 million will be available to the board FY15.
 | * Lisa Murray will research the average fee percentages and provide data at the next meeting.
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| 1. **Chair’s Report, Jim Gebhart**
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| **4.a Report on the FY2014 audit of the Oklahoma Tobacco Settlement Endowment Trust, Nate Atchison, CPA, Finley & Cook, Inc.**Jim introduced Nate Atchison, CPA, Finley & Cook, Inc. who presented the results of the TSET audit. Nate announced that TSET had a clean audit and there were no issues that needed qualified. The audit was conducted in a timely fashion; management never interfered with the audit process. Regarding internal controls, there were no findings. Nate confirmed that TSET has an excellent internal system in place. There were no findings on any regulations. Tracey Strader commented that Jennifer Treadwell and Dorothy Antwine are to be commended for the success of the systems and the audit results.  |  |
| **4.b Recognition of Casey Killblane, Past-Chair 2012-2014**Jim Gebhart and Tracey Strader formally recognized the great work and dedication of Casey Killblane, immediate past chair of the board of directors. Casey served on the board since 2003, finishing Tracey Foor’s vacated seat and then two different Superintendents of Public Instruction reappointed Casey twice to continue her service on the board. Casey served as chair three times and provided leadership through her service on the board.  |  |
| **4.c Discussion and possible action on board meeting dates for 2015** |  |
| Jim reviewed the approved FY15 Board of Directors meeting schedule and noted that no further action was needed. Tracey mentioned that a Special Meeting for awarding community grants might be needed in late March or early April.  | 2015 meeting dates have been posted to the Secretary of State website per the Open Meeting Act.  |
| **4.d Announcement of committee assignments** |  |
| FY15 Committee assignments:* Board Chair: Jim Gebhart – also ad hoc on all committees
* Agency Operations Committee: George Foster, Chair, Don Millican, Member
* Program Implementation Committee: Casey Killblane, Chair; Curtis Knoles, Member
* Public Information and Outreach Committee: Ken Rowe, Chair; Casey Killblane, Member
* Program Development Committee: Lisa Nowlin, Chair, Ken Rowe, Member
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| **4.e Discussion and possible action on resolution in support of smokefree policy** |  |
| Jim presented an opportunity for TSET to pass a resolution that aligned with the policy recommendations of the State Board of Health, the Oklahoma City-County Board of Health, the Tulsa County Board of Health, and the Oklahoma Academy for State Goals, all of whom support a comprehensive statewide smokefree law, which would prohibit smoking in all public places and workplaces. Jim noted that when external actions align with the TSET mission, there is an opportunity to support such actions through a formal resolution, which indicates the board is choosing to be “engaged”on a specific issue. Don Millican also shared that there are periodic opportunities to demonstrate TSET support, i.e., op-ed and other media channels.  | ***A motion to approve and adopt a resolution in support of smoke-free policies was made by George Foster, seconded by Curtis Knoles. Motion passed unanimously.**** Public Information and Outreach Committee will have oversight of any actions taken in follow-up to the resolution.
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| 1. **Public Information and Outreach Committee, Ken Rowe, Committee Chair**
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| **5.a Recent and Upcoming Training Events**Julie Bisbee provided an overview of the upcoming training events and noted that nearly every event listed is an important event. George encouraged members to consider attending the Grantmakers in Health annual meeting this spring in addition to any in-state events board members might attend. |  |
| **5.b Conference Sponsorships**Julie shared there was a great response to the TSET conference sponsorships due to the online application and directed members to review the list of sponsorship included in the board packet for additional information. |  |
| **5.c TSET History Project**Julie provided an update of the events around the project and noted that the documentary would be screened following the board meeting. Jim Gebhart commended staff on the development of the project and the increased level of awareness the product will provide for TSET.  |  |
| **5.d TSET Outreach Plan**Ken Rowe provided an overview of his current TSET outreach efforts and encouraged members to try to have a minimum of one outreach event before the next board meeting. Ken and Curtis both confirmed the benefits of using the TSET dashboard. Don Millican shared that he has two scheduled Op-Ed opportunities with the Tulsa World.  |  |
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| 1. **Program Implementation Committee Report**
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| **6.a Discussion and possible action on request from Stephenson Cancer Center for carryover approval in the amount of $460,162.** Jonas provided an overview of the request from the Stephenson Cancer Center for over $450,000 in carryover from FY 14 activities. $150,000 will be used for software which was ordered in FY 14 but arrived in FY 15, approximately $250,000 in translational research grants (proposals are currently under review) and about $50,000 in additional administrative or indirect costs. | ***Upon recommendations from the Program Implementation Committee, the board approved the carryover request from the Stephenson Cancer Center for $460,162. Ken Rowe abstained from the vote.***  |
| **6.b Discussion and possible action on a contract with Jessie Saul, PhD, for consultation in the development of new Oklahoma Tobacco Helpline services model during the transition from TSET to the Oklahoma Tobacco Research Center**Tracey shared that Dr. Saul had been the research director for the North American Quitline Consortium, and worked with ClearWay Minnesota to develop the bid specifications for the new model of quitline services now available in Minnesota. | ***Upon*** ***recommendations from the Program Implementation Committee, the board unanimously approved a contract for Jessie Saul, PhD, for $24,000.***  |
| **6.c Discussion and possible action on a contract with Nonprofit Impact, Inc. for follow-up consultation and facilitation of a planning meeting involving TSET and the OSDH Center for the Advancement of Wellness**Tracey explained that purpose of the contract was to provide support for and facilitation of a follow-up meeting of TSET and OSDH/Center staff. This is in follow-up to the previous organizational development and integrated workplan effort the partnership engaged Nonprofit Impact to facilitate last year. | ***Upon*** ***recommendations from the Program Implementation Committee, the board unanimously approved a contract for Nonprofit Impact, not to exceed $7,000.***  |
| **6.d Progress Report on the Boathouse Foundation Grant** Jonas Mata provided an update on the progress of the Boathouse Foundation grant, explaining there is more work to accomplish on the youth programming intervention as the Boathouse has reach only 302 youth in predominately Oklahoma City and Stillwater and that they need help with data collection methods. Jim Gebhart reminded the board that the grantee initially said they would do statewide outreach and there is a great deal of interest in that deliverable. Ken Rowe recommended an outreach report at the next board meeting. George Foster also reminded the board that he did not support this effort. Tracey shared that TSET has been meeting with the grantee to identify methods for TSET exposure opportunities, i.e., branding equipment and events.  | * Jonas Mata will follow-up with the Boathouse Foundation regarding a submission of an outreach report to the board at the February 2015 meeting.
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| **6.e Update on Health Communications**Sjonna Paulson provided a brief update on Health Communication projects and referred members to the board packet for detailed information. She shared top line results from the Shape Your Future cross-sectional survey, which resulted in 18 percent ad recall, and noted the survey will be repeated in May. Don Millican requested a trend line of survey results.  | * Sjonna Paulson will provide a trend line of Shape Your Future media tracker and cross-sectional information as the data becomes available. Expected trend line data for the Media Tracker is August/September 2015; however, on the Cross-Sectional, only comparison data will be available at the August/September 2015 or the November/December 2015 Board meeting as it will only be the second time the Cross-Sectional will have been completed.
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| 1. **Program Development Committee, Lisa Nowlin, DDS, Committee Chair**
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| **7.a Continuation Grant Presentation – Oklahoma Center for Adult Stem Cell Research (OCASCR)** Paul W. Kincade, PhD, Vice President of Research, OMRF and OCASCR Scientific Director, provided a presentation of the current work of OCASCR, noting  that because of the collaboration between the three institutions, there has been a great deal of success. As of June 30, 2014, 33 Oklahoma scientists had received an average of $223,546 for research, training and evaluation purposes. The group now has over 30 people in four sites throughout the state, representing a four-fold return so far. Unexpected innovations include: the OSU group established an interdisciplinary program in regenerative medicine and received a $11.3M grant from the National Institutes of Health. They are studying lung regeneration and OCASCR provided a smoking machine for use in their animal studies. Kincade provided a partial list of goals, which included continuing to attracting high-level scientists to Oklahoma, making some longer-term research grant awards, keeping success rates for grants reasonable, supporting training, publications and presentations, staying at the leading edge of technology, encouraging team efforts and innovations similar to OSU. Kincade noted that they will come back to ask for money for additional scientists recruitment when candidates are identified. Kincade also offered his availability for presentations and provision of Op/Eds, when needed. He thanked the board for the collaborative idea OCASCR represents and for letting the group promote this research. Don Millican suggested that Tulsa – TU may be an option for further promotion and he offered to connect Kincade to influential contacts in the Tulsa area. Curtis Knoles expressed an interest in scientist retention expectations, Kincade said that a lot of talent has come in through recruitment, and some will leave because they become “rock stars”, ultimately they would like to give grants to scientists with a long-term commitment.   |   |
| **7.b Discussion and possible action on a 5.5 year continuation grant to Oklahoma Medical Research Foundation (OMRF)**Tracey presented the committee recommendations to fund a 5.5-year continuation grant to OMRF for $3 million per year, to begin January 1, 2015, and then terminate the current $2 million per year grant effective December 31, 2014. Casey added that this highly innovative and collaborative project is a TSET-crown jewel that goes way beyond OCASCR. Don also commented that this type of project shows evidence that Oklahoma is becoming known as a center of research, while collaboration is great, it is difficult to accomplish. Don asked Kincade if this continuation grant would help expand and retain high-level scientists. Kincade noted that it is a balance of bringing in new scientists, while the system is pushing out the non-performers. George commended Kincaid on the efforts to keep all silos engaged. Kinkaid confirmed that it is delightful to work with the group and that in the future OMRF will look to ask TSET for additional support as it takes a $1.2 million pledge to bring in a new investigator.  | ***Upon*** ***recommendations from the Program Implementation Committee, the board unanimously approved a 5.5-year continuation grant for $3 million to OMRF to administer the Oklahoma Center for Adult Stem Cell Research.*** * TSET staff will terminate the current contract and reissue a 5.5-year continuation grant.
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| **7.c Discussion and possible action on a 5.5 year continuation grant to the Oklahoma Health Care Authority**Tracey provided an overview of the Oklahoma Healthcare Authority request for a 5.5-year continuation grant for $1,033,000; FY2015 estimated budget $90,000 and approximately $190,000 per year thereafter. This increase would add 2 additional FTEs, totaling 3 total FTEs. The current FTE was able to work on tobacco projects within the department, and the addition two FTE are needed to expand the work to include obesity prevention, and outreach to providers and community partners. One of the positions will assist with all of the jointly funded projects between TSET and the Health Care Authority (such as the Helpline, health communications, and the grant to OHCA to provide academic detailing in outpatient provider settings). Tracey confirmed that the Program Implementation Committee recommends funding this proposal beginning January 1, 2015. Committee also recommended terminating the current grant effective December 31, 2014.  | ***Upon*** ***recommendations from the Program Implementation Committee, the board unanimously approved a 5.5-year continuation grant for $1,033,000 to OHCA to administer the Oklahoma Health Care Authority grant.*** * TSET staff will terminate the current grant and reissue a 5.5-year continuation grant.
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| **7.d Update on Community-Based Grant Initiative** Jonas provided a brief update on the progress made to date and the timeline moving forward. He also announced that the new program would be titled TSET Healthy Living Grants.  |  |
| **7.e Update on School-Based Health Education Study**Tracey shared that the project is moving forward on time, the Phase I Literature Review is complete and TSET staff are working with Oklahoma Technical Assistance Center to convene a steering committee (superintendents association, teachers association, etc.) for the next phases of the study, which involve key stakeholder interviews and teacher surveys. The project workgroup will meet in December followed by a mid-to-late January meeting of the Project Advisory Committee. Tracey also noted that at the Academy of State Goals Town Hall, school programming in health education was a big issue.  |  |
| **7.f Discussion and possible action on award of Healthy Districts Incentive Grants**Tracey provided an overview of the Program Implementation Committee’s recommendation to award the following slate of Healthy District Incentive Grants:* + 1. Maud $3,000
		2. McLoud $5,000
		3. Pawhuska $3,000

 | ***Upon*** ***recommendations from the Program Implementation Committee, the board unanimously approved the slate of Healthy District Incentive Grants.***  |
| **7.g Discussion and possible action on award of Healthy Communities Incentive Grants**Tracey provided an overview of the Program Implementation Committee’s recommendation to award the following slate of Health Communities Incentive Grants.1. Seminole $45,000
 | ***Upon*** ***recommendations from the Program Implementation Committee, the board unanimously approved the slate of Healthy Communities Incentive Grants.*** |
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| 1. **Proposed Executive Session**
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|  | ***A motion to move out of Executive Session was made by Lisa Nowlin, seconded by Ken Rowe. Motion passed unanimously.*** |
| 1. **Consideration and possible action on items from Executive Session**
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|  | ***Upon recommendation of the Program Development Committee, the board unanimously declined the brief proposal from Oklahoma State University for medical residencies.***  |
| 1. **Agency Operations Committee Report, George Foster, O.D, Committee Chair**
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| **10.a FY14 Budget-to-Actual** |  |
| **10.a.i Operating Budget**George Foster reported that the FY 14 operating budget is spent at 94% - lapsing approximately $70,000. |  |
| **10.a.ii Programs Budget**George reported the FY 14 programs budget is spent at 84%, lapsing just over $6 million, however he noted that there were several outstanding invoices.  |  |
| **10.b. First Quarter FY15 Budget-to-Actual** |  |
| **10.b.i Operating Budget**Nothing to report since the September board meeting. |  |
| **10.b.ii Programs Budget**Nothing to report since the September board meeting. |  |
| **10.c Discussion and possible action on FY15 Budget Revision to address unsolicited proposals, continuation grants, approved contracts, and carryover request from Stephenson Cancer Center**Tracey reported that the Agency Operations Committee recommended approval of the operating budget revision to include an additional $36,000 in temporary employee wages, $15,000 for a training in Smartsheet – the TSET collaborative project management application, additional graphic design, and an agreement with the Office of Management and Enterprise Services for a business analyst to assist us with workflows and other documentation needed to obtain a turnkey grant management application, and other effective and efficient IT solutions. Additionally, the committee also recommended approval of the programs budget revision, which addresses the Cancer Center carryover, as well as the OCASCR and Health Care Authority continuation grants. | ***Upon*** ***recommendations from the Agency Operations Committee, the board unanimously approved the operating budget revision to include an additional $36,000 in temporary employee wages, $15,000 for Smartsheet training, additional graphic design services and contracted OMES business analyst services.*** |
| **10.d Update on Grants Management Application**Tracey shared that at this time we have discontinued the development of a grants management system as other options are reviewed and discussed with OMES. |  |
| **10.e Notification of request for an audit of the Bryan, Marshall, Pushmataha, Choctaw and McCurtain County Health Departments as lead agencies for TSET Communities of Excellence grants**Jonas informed the board of the need to conduct an audit of the Bryan, Pushmataha, Choctaw, and McCurtain County Health Departments as lead agencies for TSET Communities of Excellence grants. The agency supervisor did not know to ask for technical assistance in managing sub-contractors services. Finley and Cook have been informed and will schedule an onsite audit. Jan Preslar was also informed of the situation.  | * TSET staff will oversee the Finley and Cook audit of the Bryan, Marshall, Pushmataha, Choctaw and McCurtain County Health Departments as lead agencies for TSET Communities of Excellence grants
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| 1. **New Business (any matter not know about of which could not have been reasonably foreseen prior to the time of posting the agenda [25 O.S. § 311 (A)(9)]**
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| Board member Casey Killblane requested a motion to form a new ad hoc committee under new business. Assistant Attorney General Jan Preslar said the formation of a committee did not meet the definition of new business, and that board chairs have the authority to establish ad hoc committees necessary for completion of specific projects or activities.  |  |
| 1. **Public Comment**
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| None.  |  |
| 1. **Adjournment**
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| Board adjourned at 12:30 p.m. | ***A motion to adjourn was made by George Foster, seconded by Ken Rowe. Motion passed unanimously.*** |