



**Oklahoma Tobacco Settlement Endowment Trust**

**Board of Directors**

**Regular Meeting**

**August 24, 2017**

**Board members present:** Don Millican; Bruce Benjamin; Jim Gebhart; Casey Killblane; Curtis Knoles; Ken Rowe; Michelle Stephens

**TSET staff present:** Julie Bisbee; Kathie Darr; Jonás Mata; Tessa North; Sjonna Paulson; Jennifer Treadwell; John Woods

**Guests present:** Greta Anglin, VI Marketing and Branding; Martha Kulmacz, Attorney General’s Office; Lisa Murray, Oklahoma State Treasurer’s Office

Agenda Items and Discussions	Actions and Follow-Up Items
<b>1. Open Meeting Act Announcement and Call to Order – Don Millican, Chair</b>	
The TSET Board Chair, Don Millican, called the meeting to order at 10:00 a.m. and announced that TSET had met all Open Meeting Act requirements.	
<b>2. Approval of Minutes of the May 24, 2017, Regular Board Meeting and Planning Retreat</b>	
Millican asked for any corrections to the May 24, 2017, board meeting and planning retreat minutes as written. Hearing none, he called for a motion. <i>Motion:</i> Jim Gebhart <i>Second:</i> Casey Killblane	The board voted unanimously to <b>approve</b> the minutes of the May 24, 2017, board meeting and planning retreat. (Absent: Michelle Stephens)
<b>3. Chair’s Report – Don Millican</b>	
Reminding the board of the advance notice requirement for 2018 regular meetings, Millican polled the board for availability and acknowledged the gubernatorial reappointment of Michelle Stephens to the TSET Board to serve a full term.	
<b>4. Executive Director’s Report – John Woods</b>	
Woods detailed for the board the repercussions of the Oklahoma Supreme Court ruling on the cigarette fee outlining specifically the state agency budgets contingent on the revenue source. He addressed the status and parameters of a special session and provided updates on other legislative affairs. Anticipating the final decision on corrective statements from the federal civil action against tobacco manufacturers in September, Woods recapped the specific language the court has directed manufacturers of tobacco to include in their product warnings.	
<b>5. Board of Investors’ Report – Lisa Murray, Chief Investment Officer, Oklahoma State Treasurer’s Office</b>	
Lisa Murray advised the board that the Board of Investors had preliminarily certified \$38,078,419 in annual earnings from the TSET endowment, with a final certification expected in November, and that the corpus at the end of FY 2017 was \$1.1 billion. She relayed dialogue from the August 23 meeting of the Board of Investors on the statutory	Michelle Stephens entered at 10:31 a.m.



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<p>limitations on the endowment noting the necessitated use of non-traditional benchmarks, and gave a review of the NEPC spending policy.</p>	
<p><b>6. Agency Operations Committee Report – Jim Gebhart, Chair</b></p>	
<p>a. <u>Budget to Actual; Operating and Programs FY 2017</u>  Gebhart informed the board that as of July 31, the FY 2017 operating budget was at 95% expended and the programs budget at 84%, and noted that specific information on lapses and outstanding invoices could be found in the board packet.</p>	<p>Ken Rowe exited at 10:43 a.m.</p>
<p>b. <u>Budget revisions; Operating and Programs FY 2017, Operating and Programs FY 2018</u>  Gebhart presented to the board budget revision requests consisting of a \$110,250 decrease in the FY 2017 operating budget; \$190,833 increase in the FY 2017 programs budget; and an increase of \$6,000 in the FY 2018 programs budget. He stated that these had passed through the Agency Operations Committee and asked for board approval.</p> <p>Gebhart stated to the board that following the meeting of the Agency Operations Committee, he had received a request for an additional FY 2017 budget adjustment in the amount of \$116,832.59 for an overage on the media services contract for health communications, and recognized Woods for a brief explanation. Woods advised that the overage was due primarily to end of year projects, one time enhancement purchases and preparation for a potential transfer of work pending the outcome of the media services RFP.  <i>Motion: Jim Gebhart Second: Casey Killblane</i></p>	<p>Upon recommendation from the Agency Operations Committee, the board voted unanimously to <b>approve</b> revisions to the FY 2017 operating budget, FY 2017 programs budget and FY 2018 programs budget.  (Absent: Ken Rowe)</p> <p>The board voted unanimously to <b>approve</b> an additional FY 2017 budget adjustment.  (Absent: Ken Rowe)</p>
<p><b>7. Program Development Committee Report – Bruce Benjamin, Chair</b></p>	
<p>a. <u>Healthy Communities Incentive Grants</u>  Benjamin acknowledged the receipt of five applications for Healthy Communities Incentive Grants – City of Antlers \$10,000; Town of Council Hill \$20,000; Town of Haileyville \$20,000; Town of Porum \$20,000; Town of Red Bird \$20,000 – for a total of \$90,000, and requested approval.</p>	<p>Ken Rowe entered at 11:04 a.m.  Upon recommendation from the Program Development Committee, the board voted unanimously to <b>approve</b> the slate of Healthy Communities Incentive Grants.</p>
<p>b. <u>Healthy Districts Incentive Grants</u>  Benjamin acknowledged the receipt of nine applications for Healthy Districts Incentive Grants – Davenport Public Schools \$3,000; Denison Public School \$1,500; Konawa Public Schools \$3,000; Lomega Public School \$3,000; Meeker</p>	<p>Michelle Stephens exited at 11:20 a.m.  Upon recommendation from the Program Development Committee, the board voted</p>



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<p>Public Schools \$3,000; Mill Creek School \$3,000; New Lima Public Schools \$3,000; South Coffeyville Public School \$3,000; Valliant Public Schools \$1,000 – for a total of \$23,500, and requested approval.</p>	<p>unanimously to <b>approve</b> the slate of Healthy Districts Incentive Grants. (Absent: Michelle Stephens)</p>
<p>c. <u>Healthy Schools Incentive Grants</u> Benjamin acknowledged the receipt of three applications for Healthy Schools Incentive Grants – Lone Grove Primary \$2,000; Tushka Elementary School \$1,500; Tushka High School \$1,500 – for a total of \$5,000, and requested approval.</p>	<p>Upon recommendation from the Program Development Committee, the board voted unanimously to <b>approve</b> the slate of Healthy Schools Incentive Grants. (Absent: Michelle Stephens)</p>
<p><b>8. Discussion on Incentive Grant Programs</b></p>	
<p>Millican recognized Woods to brief the board on changes in funding for the Healthy Communities and Healthy Schools incentive grant programs. Directing the board to their packet for a background summary and mechanics overview of the programs, Woods reminded the board that these programs had been funded in partnership with the Oklahoma State Department of Health, but as a result of ongoing budget cuts at OSDH, the funds would be allocated to other objectives. Woods stated that funding was available through FY 2018, and proposed various scenarios and design options for the future of the grant programs. Noting that results from a FY 2017 evaluation would be reviewed at the March 2018 board meeting, Woods advised board members that he would keep them apprised of developments to assist in future decision-making.</p>	<p>Michelle Stephens entered at 11:32 a.m.</p>
<p style="text-align: center;"><b>BREAK</b></p>	
<p>Following the break, the board reconvened and further discussed a 2018 meeting schedule. The board selected January 30; March 29; and May 17 for their regular meetings with subsequent meetings to be determined at a later date, and directed staff to post notice as required. <i>Motion: Bruce Benjamin Second: Casey Killblane</i></p>	<p>The board voted unanimously to <b>approve</b> the 2018 board meeting dates as decided.</p>
<p><b>9. Program Implementation Committee Report – Curtis Knoles, Chair</b></p>	
<p>a. <u>Health communication update</u> Knoles provided an overview of ongoing public education mass media efforts through Tobacco Stops With Me, Oklahoma Tobacco Helpline and Shape Your Future. Knoles reported that the multi-service media RFP would be released on September 7.</p>	
<p>b. <u>Healthy Living Program score card progress</u></p>	



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<p>Detailing for the board the initial performance measure rating structure for the score card initiative, Knoles recognized Jonás Mata, Director of Programs for TSET, for further discussion, and noted that the final score card would be available for review at the November board meeting.</p>	
<p>c. <u>Merger of Healthy Living Program grants for Choctaw and Pushmataha counties</u>          Citing a request from the County Health Department Administrator, Knoles advised the board of a proposed merger for the Healthy Living Program grants for Choctaw and Pushmataha counties noting reallocation of program dollars and potential cost savings.</p>	<p>Upon recommendation from the Program Implementation Committee, the board voted unanimously to <b>approve</b> the merger of the Healthy Living Program grants for Choctaw and Pushmataha counties.</p>
<p><b>10. Public Information and Outreach Committee Report – Ken Rowe, Chair</b></p>	
<p>a. <u>Outreach activities update</u>          Rowe referred the board to their packet for a review of efforts to promote TSET’s programs acknowledging recent television appearances by Director Woods. He recognized staff to present videos that will be part of FY 2018 education and outreach efforts.</p>	
<p>b. <u>Sponsorships</u>          Noting that a full list of sponsorships could be found in the board packet, Rowe reported that sponsorship grants were spent at 58% for FY 2017 and 34% for FY 2018.</p>	
<p>c. <u>Sponsorship eligibility guidelines and criteria</u>          Per recommendation from the Public Information and Outreach Committee to broaden sponsorship eligibility requirements, Rowe presented to the board proposed changes to the TSET Sponsorship Grant Guidelines. Following discussion of proposed language, the board agreed to table any action until the November board meeting, and directed staff to revisit proposed changes.</p>	
<p>d. <u>Upcoming events</u>          Rowe directed the board to their packet for a list of upcoming events, making special mention of the State Chamber’s OK2030 regional event schedule and urged participation of October events.</p>	
<p><b>11. New Business</b></p>	
<p>Woods was recognized and informed the board that he had been in recent contact with OSU-Tulsa regarding a tour of their facility. Affirming interest from the board, he suggested the tour be scheduled in conjunction with the November board meeting pending OSU-Tulsa’s ability to accommodate.</p>	
<p><b>12. Public Comment</b></p>	
<p>No public comment.</p>	



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<b>13. Adjournment</b>	
<i>Motion:</i> Ken Rowe <i>Second:</i> Jim Gebhart	The board voted unanimously to adjourn and the meeting adjourned at 12:37 p.m.