

**Oklahoma Tobacco Settlement Endowment Trust**  
**Board of Directors**  
**Minutes**  
February 23, 2007

**Board of Directors' Members Present:** Kenneth D. Rowe, Don Cooper, M.D., George E. Foster, O.D., Casey Killblane, W.R. Lissau, D. Robert McCaffree, M.D., Susan Walters Bizé

**Board of Directors' Members Absent:** none

**Staff Present:** Tracey Strader, Jonás Mata, Sharon Neal, Dorothy Antwine

**Guests Present:** Laura Beebe, Ph.D, Wes Glinsmann, Janie Horton, Robert Mannel, M.D., Doug Matheny, Michael McNutt, Frank Merrick, Louise Micolites, Joann Stevenson, Heather Warlick, James Wilbanks, Wade Williams

<b>Agenda Item</b>	<b>Discussion and Notes</b>	<b>Action and Follow-Up</b>
1. Open Meeting Act, Call to Order and Opening Remarks	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 and called the meeting to order.	
2. Approval of Minutes of the November 17, 2006 Regular Board Meeting	Minutes of the November 17, 2006 regular board meeting were approved as written.	Motion to approve made by Dr. Cooper and seconded by Dr. McCaffree. Motion passed unanimously.  Dorothy Antwine will make the minutes part of the permanent record.
3a. Chair's Report – Calendar Year 2007 Board Meetings	Ken Rowe discussed the 2007 regular scheduled board meetings. The board discussed having one of the board meetings in Tulsa, and scheduling a one and a half day strategic planning retreat.	Motion to approve regular board meeting dates of May 18 <sup>th</sup> in Tulsa, September 6 <sup>th</sup> and 7 <sup>th</sup> retreat, and November 30 <sup>th</sup> at TSET made by Dr. McCaffree and seconded by Dr. Cooper. Motion passed unanimously.  Tracey Strader and Dorothy Antwine will identify a suitable location for the May 18 <sup>th</sup> Tulsa meeting and also the September 6 <sup>th</sup> and 7 <sup>th</sup> strategic planning retreat.
3b. Chair's Report –Ethics Commission Reporting	Mr. Rowe announced that the Ethics Commission reports are due in TSET's office by April 15 <sup>th</sup> , 2007.	Dorothy Antwine will forward the board's reports to the Ethics Commission prior to April 30, 2007.

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3c. Chair’s Report – Other	The board recognized Dr. McCaffree’s services to the board in serving as Founding Chair for two years and later as Chair for one year.	
4. Board of Investors Report – James Wilbanks	Mr. Wilbanks reported that the Board of Investors reviewed their investment policies and asset allocation, and found that they had previously focused on <i>total return</i> . A paragraph was recently added in the ‘Investment Policy Statement’ that discusses the conflict between generating income and managing the fund for the long term. The primary goal of the fund is to maximize current income while maintaining and enhancing the real value of the fund in the long-run, in a manner consistent with prudent investment management. Mr. Wilbanks also reported that the Board of Investors reviewed their ‘Asset Allocation Choices’ and voted to bring real corpus growth from a rate of 1.48% to .69% in an effort to meet the primary goal. This move, in combination with the cost savings realized through contract changes should yield substantial income increases beginning FY 2009.	
5a. Director’s Report –FY 2006 Annual Report	Tracey Strader reported that the FY 2006 Annual Report had been distributed to all required parties and had also been distributed to each legislator, the boards appointing authorities, grantees and other stakeholders.	
5b. Director’s Report –Presentation to the Board of Investors, February 14, 2007	Ms. Strader reported that she had presented at the Board of Investors February board meeting. The Board of Investors wanted to better understand the Board of Directors’ strategic planning efforts and what could be funded under the Constitutional amendment.	
5c. Director’s Report – Conferences Updates and Upcoming Training Opportunities	Tracey Strader gave updates on conferences attended (National Network of Tobacco Cessation Quitlines, Grantmakers in Health, North American Quitline Consortium (NAQC) Data Repository Policy Panel). She has been invited to attend a ‘Funders Forum’ to discuss how national efforts (from the CDC, NCI, Robert Wood Johnson Foundation, NIDA, and the American Legacy Foundation) impact local activities.	Tracey Strader will continue to update the board on training opportunities.

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5d. Director’s Report – Legislative Updates	<p>Tracey Strader gave an update on SB 424 introduced by Senator Adelson which is the ‘All Kids Act’ to expand Medicaid to cover more children in higher income categories. The last line in the bill indicates that up to 20% of TSET earnings would be used to fund the program.</p> <p>During a legislative committee meeting in which SB 424 was discussed, Senator Adelson also indicated that he would like to explore the possibility of increasing TSET’s payout through SB 1104 which is related to the Trust for Public Land.</p>	Tracey Strader will provide updates as they become available.
6a. Program Committee Report – Presentation – Communities of Excellence Local Experiences, Louise Micolites, Cherokee County Coordinator and Janie Horton, Carter County Coordinator	<p>Louise Micolites CX Coordinator from Cherokee County and Janie Horton, CX Coordinator from Carter County presented on the various activities in their communities. Both coordinators addressed activities related to Students Working Against Tobacco (SWAT) program, local ordinances related to clean indoor air and youth access to tobacco products, and Helpline and other cessation initiatives.</p>	
6bi. Program Committee Report – Community Program Updates – Communities of Excellence Updates	<p>Jonás Mata reported that a Request for Proposals for Wave II of the Communities of Excellence in Tobacco Control program would be issued in March. He also reported that he is working with the State Program Office to finalize the requirements for submission of the CX I strategic plans for Year 3 of Implementation. The strategic plans are due at the end of June.</p>	
6bii. Program Committee Report – Community Program Updates – Addressing Tobacco in Specific Populations Updates	<p>Jonás Mata reported that the requirements for submission of the Addressing Tobacco in Specific Populations strategic plans had been issued. The State Program Office and the OU Evaluator will provide technical assistance to the grantees in the development of their local evaluation plans.</p>	
6c. Program Committee Report – Counter-marketing Updates	<p>Tracey Strader reported that Brothers &amp; Co. the media firm under contract to the Oklahoma State Department of Health has developed three different campaign ideas to speak to Oklahomans. Two of the ideas are being tested through seven focus groups in rural and urban areas of the state representing youth and adults as well as different racial and ethnic populations. Once the focus group results are in, Brothers will develop television and radio ads that will begin airing in September 2007. In addition the contract</p>	Tracey Strader will notify the board with the RFP for media services is released.

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	<p>between the OSDH and Brothers &amp; Co. ends June 30, 2007 and a new Request for Proposals will be released soon. The RFP will be issued jointly between the OSDH and TSET so that the TSET will be able to utilize the media firm’s services independently and for program areas other than tobacco control, as needed.</p>	
<p>6d. Program Committee Report – Oklahoma Tobacco Helpline Updates</p>	<p>Tracey Strader reported that lower prices for nicotine replacement products had been negotiated with Free &amp; Clear. This may result in a savings of at least \$150,000 per year. Tracey also reported that the National Cancer Institute has been promoting the ‘1-800-QUIT NOW’ number as part of a pilot to test the impact of national promotions on local quitline activity. The ads are not tagged with the Oklahoma Tobacco Helpline logo. In addition, Free &amp; Clear has also expressed an interest in conducting research together to address Helpline caller’s weight concerns during a quit attempt.</p>	<p>Staff will report the results of the national promotion efforts, and the Helpline research opportunities as soon as they are available.</p>
<p>6e. Program Committee Report – TSET Grantmaking Rules</p>	<p>Susan Bizé reported on the Grantmaking Policies that had been drafted. She said that the policies will eventually become administrative rules and they are broad-based policies as they are not expected to change significantly over time. Ms. Bizé said the primary focus of the policies is to establish advisory committees to assist the board in program planning and development for each major initiative undertaken. A ‘Non-Acceptance of Tobacco Funds’ policy is included for all grantees regardless of the program area funded, and no grants would be provided for a period of less than one year. The committee will continue to work on the policies so that they might be approved during the May 18, 2007 board meeting.</p>	
<p>7a. Evaluation Committee Report – Oklahoma Tobacco Helpline Evaluation Updates</p>	<p>Dr. Cooper reviewed the Helpline Fact Sheets which covered services from September 2004 through April 2006, and reported an increase in number of callers who have used the services each year. On the 7-month follow-up, the Helpline is consistently averaging a 35% 30-day abstinence rate. Dr. Cooper noted that on average, Oklahoma is doing as well or even better with the Helpline services as other states. He reported that participants who used both the counseling and the nicotine replacement products had better outcomes.</p>	

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7b. Evaluation Committee Report – Communities of Excellence Evaluation Updates	Dr. Cooper said that the CX grantees were making progress in implementing programs that will reduce tobacco use among youth.	The committee will report the evaluation results from Year 1 of Implementation at the May 18, 2007 board meeting.
7c. Evaluation Committee Report – Evaluation of FY 2008 Counter-marketing Campaign	Tracey Strader explained that since a multi-layered ad campaign is being produced by and for Oklahomans, the campaign should be evaluated for effectiveness. TSET is working with Dr. Laura Beebe to develop an evaluation design to assess a change in attitudes which should, in combination with other activities, eventually lead to a change in behavior. Dr. Beebe will strive to create an evaluation design that will yield results and not be cost prohibitive.	
8a. Agency Operations Committee Report – FY 2007 Second Quarter Expenditures, Budget to Actual	Casey Killblane discussed the Second Quarter Expenditures – Budget-to-Actual report for the programs and operating budgets. Spending is progressing as expected.	
8b. Agency Operations Committee – Notification of Operating Budget Adjustments	Casey Killblane reported on a few line item adjustments made in the Operating Budget. Notification was provided by Tracey Strader and the committee supported her adjustments.	
8c. Agency Operations Committee – Communities of Excellence Grant Year Closeout	Casey Killblane reported that the amount spent by the grantees in grant year two was satisfactory and that the carry-over amount is what staff had projected.	
8f. Agency Operations Committee – Agency Performance Review – Oklahoma House of Representatives, Government Modernization, Agency Review and Administrative Rules Committee	Casey Killblane reported that the House of Representatives is asking the agencies to clarify what they do through an Agency Performance Review process. Tracey Strader and Ken Rowe will be representing the Board of Directors on Monday, February 26 <sup>th</sup> . In the past the House of Representatives have only reviewed appropriated agencies, but this year non-appropriated agencies are also being reviewed. The purpose is for agencies to justify their existence, to assure that the agency(s) are the best one(s) do what they’re doing and to assure that there is no duplication.	
8g. Agency Operations Committee – TSET Administrative Rules	Casey Killblane reported the committee had reviewed the General Administration portions of the policies that will become administrative rules and they will be seeking approval at the May 18, 2007 board meeting.	Board members should review the policies prior to the May 18, 2007 board meeting.

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8h. Agency Operations Committee – Plans for Evaluation of the Executive Director	Casey Killblane announced that it is time to evaluate the Executive Director. Tracey will complete staff evaluations and provide results from her 360° evaluation	Evaluation forms will be mailed by April 16 <sup>th</sup> and should be returned to Ms. Killblane by May 1st.
9. Update on Tobacco Control Legislation and Policy	Wes Glinsmann reported that legislation was re-introduced by Senator Brannon this year requiring the Oklahoma City Zoo be smoke-free. Another bill that had been introduced regarding clean indoor air laws may not receive a hearing at this point. Mr. Glinsmann said Dr. Cox had introduced a bill to raise the legal age to purchase tobacco products to age 21 but the bill did not get out of the sub-committee. Mr. Glinsmann reported that the non-tribal tobacco retailers were working to pass legislation that, in the event of a tribal tax rate decrease, would automatically drop the non-tribal tax rate to the lowest available tribal tax rate. He also said that the Alliance is spending a good amount of time educating new legislators.	
10. New Business	Ken Rowe called for new business and there was no new business.	
11. Public Comment	Ken Rowe called for public comment and there was no public comment.	
13a. Strategic Planning Session – Presentation – Oklahoma Cancer Institute	Dr. Robert Mannel presented on the OU Cancer Institute’s proposal to develop an Oklahoma Tobacco Research Center (OTRC). The mission of the OTRC would be to identify, evaluate and disseminate best practices for tobacco prevention and control to reduce tobacco use and tobacco-related cancer incidence and mortality. The OTRC would be a statewide collaboration including researchers from institutions throughout the state. The OTRC would establish partnerships with existing and future TSET-funded and OSDH-funded tobacco control programs. Collaborations would make OTRC experts and infrastructure available to TSET grantees and OSDH staff and increase the potential national and international scientific impact of their state-based activities. A two-year planning phase was proposed to obtain input from key stakeholders statewide and develop a plan to eventually leverage federal dollars from NCI and others. The OTRC would follow the NCI model for tobacco research centers.	TSET staff and the Planning Committee will work with the Cancer Institute staff to further explore the proposal and develop a recommendation for the board at the May 18, 2007 board meeting.

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Dr. Cooper left the meeting.		
13b. Strategic Planning Session – Discussion and long-term Goals and Priorities	<p>Frank Merrick opened the discussion with the board to address three main points:</p> <ol style="list-style-type: none"> <li>1. How much will be spent on research including the proposed funding of the Oklahoma Tobacco Research Center</li> <li>2. When should the board consider funding additional programs, prevention or otherwise, in addition to tobacco control; and if other programs are funded, how will the decision be made as to what should be funded?</li> <li>3. Will the board accept unsolicited requests and how will they be handled?</li> </ol> <p>The board discussed some programs that might qualify as unsolicited proposals, such as Strong and Healthy Oklahoma, health insurance for children, and others. The board also discussed the option of focusing research efforts for the next several years on the OTRC and expanding research initiatives after having gained some experience in funding research. Further discussion on future research and other health program funding will be addressed in the September 2007 board retreat.</p>	<p>Bill Lissau made a motion that the board begin to accept unsolicited proposals. The motion was seconded by Dr. McCaffree and passed unanimously. Dr. Cooper was not present for the vote.</p> <p>TSET staff and the Program Committee will develop a process for accepting unsolicited proposals, explore the feasibility of funding one or more of the Strong and Healthy Oklahoma projects, and make recommendations to the board during the May 18, 2007 meeting.</p>
13c. Strategic Planning Session – Next Steps	<p>The board discussed the need to clearly articulate their goals and key performance measures during the strategic planning retreat to be held September 6 and 7, 2007.</p>	<p>Tracey Strader and Frank Merrick will work with the board to develop the retreat agenda and prepare a process that will result in a clearly articulated strategic plan.</p> <p>Tracey will coordinate with a SWAT team to present at the May 18, 2007 board meeting in Tulsa</p>
14. Adjournment		<p>Motion to adjourn made by Casey Killblane and seconded by Dr. Foster. Motion passed unanimously. Dr. Cooper was not present for the vote.</p>