



**Oklahoma Tobacco Settlement Endowment Trust
Board of Directors
Regular Meeting and Planning Retreat
September 18 – 19, 2018**

(Tuesday, September 18)

BOARD MEMBERS PRESENT: Bruce Benjamin; Casey Killblane; Curtis Knoles; Don Millican; Ken Rowe; Michelle Stephens

BOARD MEMBERS ABSENT: Jim Gebhart

TSET STAFF PRESENT: Julie Bisbee; Kathie Darr; Jonás Mata; Tessa North; Sjonna Paulson; Jennifer Treadwell; John Woods

GUESTS PRESENT: Adrian Arnold, Northeast Tribal Health Center; Kristen Carollo, Muskogee County Health Department; Michael Don Christy, Chandler School Board; Joseph Fuller, DalTile; Pat Hecksher, Northeast Tribal Health Center; Dean Kruithof, City of Miami; Martha Kulmacz, Attorney General’s Office; Michelle Mabray, Pittsburg County Health Department; Craig McNeil, DalTile; Jennifer Nunn, Lincoln County Health Department; Kirk Ridenour, City of McAlester; Sheri Ripley, Lincoln County Health Department; Julie Selman, Garvin County Health Department; David Smith, Lincoln County Health Department; Elise Stevens, Oklahoma Tobacco Research Center; Ted Wagener, Oklahoma Tobacco Research Center; Alan Ware, McClain-Garvin Youth and Family Services

Agenda Items and Discussions	Actions and Follow-Up Items
1. Open Meeting Act Announcement and Call to Order	
The TSET Board of Directors Chair, Don Millican, called the meeting to order at 9:01 a.m. and announced that TSET had met all Open Meeting Act requirements.	
2. Approval of Minutes of the May 22, 2018, Regular Board Meeting	
Millican asked the board if there were any corrections to the May 22, 2018, minutes as written. Hearing none, he called for a motion. Motion: Bruce Benjamin Second: Michelle Stephens	The board voted unanimously to approve the minutes of the May 22, 2018, regular board meeting. (Absent: Curtis Knoles, Ken Rowe)
3. Board of Investors’ Report – Lisa Murray, Chief Investment Officer, Oklahoma State Treasurer’s Office	
Lisa Murray was recognized via teleconference for presentation on behalf of the Board of Investors. She provided a year-to-date performance summary noting adjustments to asset allocations and updated NEPC portfolio projections and stated that the Master Limited Partnership contract had been awarded to Tortoise Capital & Salient Partners. She stated that the Board of Investors had preliminary certified \$64,771,764 in annual earnings from the TSET endowment with final certification expected at the November 28 Board of Investors meeting and encouraged attendance.	
4. Executive Director’s Report	
a. <u>Legislative update</u>	



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<p>Woods shared that he had been invited to testify before the Senate Health and Human Services Committee at an upcoming Interim Study to examine the health effects of vaping and would be sharing his experience publicly through social media. He reminded the board of the potential for high turnover at the Capitol this election cycle, including general elections for all appointing authorities to TSET, and stated that he was working on an outreach plan to effectively communicate to newly-elected officials about the work being done at TSET and matters related to the agency.</p>	
<p>b. <u>Operations</u> Woods notified the board that the Office of Management and Enterprise Services had approved relocation of the TSET office to the Oklahoma Department of Agriculture building, but indicated that the move had been postponed to early 2019 pending final authorization of construction plans.</p>	
<p>c. <u>Overview of Executive Director activities</u> Woods highlighted participation in events across the state including press conferences, rotary club meetings, chamber of commerce forums and school grant check presentations and stated that he had been interviewed by every network news station after the cigarette and little cigar price increase went into effect.</p>	<p>Curtis Knoles entered at 9:38 a.m.</p>
<p>5. Agency Operations Committee Report – Jim Gebhart, Chair</p>	
<p>a. <u>Budget to Actual financial reports</u> Woods was recognized to present a report from the Agency Operations Committee in Gebhart’s absence. He summarized for the board the data from the Budget to Actual financial reports as of August 31, stating that the FY 2018 Operating Budget was at 92% expended with minimal outstanding invoices; FY 2018 Programs Budget at 85% with an anticipated \$4.3 million in outstanding invoices and a projected 95% spend rate after reconciliation; FY 2019 Operating Budget at 12% expended; and the FY 2019 Programs Budget at 3% with slow invoicing for July which is typical, he explained, with a new grant cycle.</p>	<p>Ken Rowe entered at 9:43 a.m.</p>
<p>b. <u>FY 2019 Programs Budget revision</u> Stating that the Oklahoma Health Care Authority had increased their cost share for the Oklahoma Tobacco Helpline, Woods requested an increase in TSET matching funds and approval for a restructure of the FY 2019 Programs Budget to satisfy one-time expenses associated with the Tobacco Stops With Me 10th anniversary event, highlighting the Stephenson Cancer Center NCI designation impact and preliminary costs for the Southern Obesity Summit to be held in Oklahoma City in the fall of 2019.</p>	<p>Upon recommendation from the Agency Operations Committee, The board voted unanimously to approve an adjustment to the FY 2019 Programs Budget.</p>
<p>c. <u>Analysis of reserves</u> Noting a significant increase in certified earnings from previous years, Woods detailed for the board various scenarios regarding reserve funds and budget allocations.</p>	



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<p>d. <u>Current commitments</u> Woods discussed contractual commitments and their effect on future budgeting and encumbered funds.</p>	
6. Program Development Committee Report – Bruce Benjamin, Chair	
<p>a. <u>Discussion and possible action on Healthy Districts Incentive Grants</u> Benjamin acknowledged two applications for Healthy Districts Incentive Grants noting the slate will be the first to be awarded from the newly-formulated program, and requested approval.</p> <p>Maryetta Public School \$18,000 Sulphur Public Schools \$25,000</p>	<p>Upon recommendation from the Program Development Committee, the board voted unanimously to approve the slate of Healthy Districts Incentive Grants totaling \$43,000.</p>
<p>b. <u>Update on Healthy Communities Incentive Grants Program</u> Tessa North, TSET Director of Grants Management, was recognized to brief the board on overall function of the newly-formulated Healthy Communities Incentive Grants Program. She discussed the application process and indicated that interest, particularly in rural communities, was encouraging with a slate of completed applications expected for board approval at the November meeting.</p>	
7. Tobacco Stops With Me 10-Year Anniversary	
<p>a. <u>Update on 10-year anniversary event planning</u> Woods offered final logistics for the October 10 anniversary event and provided updates on programmatic activities, media outreach and partnership building.</p>	
<p>b. <u>Discussion and possible action on tobacco work expansion</u> Members from the TSET staff were recognized to present briefs on various proposals for tobacco work expansion. The board discussed funding commitments, development strategies and viability of overall reach into new populations and approved a framework for advancement with announcement to be made at the anniversary event in October.</p> <p><i>Motion to commit to program development and funding to expand work in youth education and advocacy in tobacco cessation and prevention, and direct staff to begin work to develop RFP that will fulfill the goals of decreasing youth smoking rates and increase youth knowledge and advocacy of healthy living:</i> Casey Killblane <i>Second:</i> Michelle Stephens</p>	<p>The board voted unanimously to expand work in youth education and advocacy with regard to tobacco use.</p>



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<p><i>Motion to direct TSET staff to further investigate program opportunities with health providers to include health clinics, medical doctors, dental practices and other health providers to increase patient education and access to resources for prevention of tobacco use and to reduce smoking rates particularly with targeted populations in order to meet the goal of the board to increase health provider communication and intervention with patients and decrease smoking rates:</i> Bruce Benjamin Second: Curtis Knoles</p>	<p>The board voted unanimously to explore tobacco work expansion opportunities in health-related fields.</p>
<p>c. <u>Discussion and possible action on tobacco policy resolution</u> Julie Bisbee, TSET Director of Public Information and Outreach, was recognized to present a resolution encompassing the policy priorities approved by the board at the May meeting. She stated that the document will serve as a formalized commitment of the board’s efforts to reduce smoking over the next decade. After reviewing the language and discussing various modifications, the board tabled the agenda item for further consideration.*</p>	
<p>8. Program Implementation Committee Report – Curtis Knoles, Chair</p>	
<p>a. <u>Health communications update</u> Knoles referred the board to their packet for overviews of ongoing mass media efforts through Tobacco Stops With Me, Shape Your Future and the Oklahoma Tobacco Helpline and highlighted the resources available through the Public Health Academy of Oklahoma for grantees and partner agencies focused on tobacco and obesity work.</p>	
<p>b. <u>Oklahoma Tobacco Helpline registration</u> Reporting an 85% increase in registrations to the Oklahoma Tobacco Helpline for the months of July and August compared to the prior year, Knoles credited the recent tax increase on cigarettes and little cigars for the surge.</p>	
<p>9. Public Information and Outreach Committee Report – Ken Rowe, Chair</p>	
<p>a. <u>Outreach update</u> Rowe highlighted outreach efforts for the TSET Brand including television appearances and news stories about increased calls to the Oklahoma Tobacco Helpline and thanked Dr. Knoles for authoring an opinion column featured in the Tulsa World on a federal rule to require public housing to be smoke-free and the loopholes in Oklahoma’s laws to protect people from second hand smoke. He directed the board to their packet for a summary of FY 2018 media and promotion efforts noting an increase in social media followers and activities.</p>	
<p>b. <u>Sponsorship and training grants</u> Reporting that \$12,000 of the budget for sponsorship and training grants had been earmarked for events, Rowe noted a 34% spend rate and steady interest for the fiscal year.</p>	
<p>c. <u>Upcoming events</u></p>	



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Rowe reminded the board of the October 10 Tobacco Stops With Me anniversary event and other upcoming conferences and training opportunities.	
10. Public Comment	
No public comment.	
11. Presentation on Tobacco 21 – Richard T. Kwong, California Department of Public Health	
Mr. Kwong was recognized via teleconference. He discussed recent passage of a California law to increase the age of sale for tobacco products from 18 to 21 and provided insight into implementation of the new law and overall evaluation of public health rationale.	
12. Presentation on Vaping – Theodore L. Wagener, Ph.D., Oklahoma Tobacco Research Center	
Dr. Wagener was recognized to share his findings on JUUL and other e-cigarettes noting evolution of product, marketing tactics, youth demand and regulation. Dr. Elise Stevens, who also was in attendance, addressed the board and discussed cognitive processing and other methods used to gauge youth appeal to e-cigarette advertising.	
13. Presentation on Obesity Prevention – Jordan Endicott, American Heart Association	
Mr. Endicott was recognized for presentation. He provided data on health rankings in Oklahoma and the overall impact of obesity in our state. He identified key contributors to the epidemic and cited efforts made at the state and national level to promote healthy behaviors.	
14. Presentations from Healthy Living Program Grantees on Community Work	
The board heard from TSET Healthy Living Program Grantees on the work being done in their communities to encourage healthy eating, physical activity and tobacco-free lifestyles and how grant dollars were being used to reach program initiatives and yield desired outcomes.	
15. Overview of Available Resources for Healthy Living Program Grantees	
Jonás Mata, TSET Director of Programs, gave an overview of resources available to aid grantees in implementing health-promoting changes to policies, systems and environments and provided sample toolkits to the board for their review.	
16. Recess	
Motion: Bruce Benjamin Second: Casey Killblane	The board voted unanimously to reconvene on Wednesday, September 19, 2018, at 9:00 a.m. and the meeting recessed at 4:39 p.m.



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(Wednesday, September 19)

BOARD MEMBERS PRESENT: *Casey Killblane; Curtis Knoles; Don Millican; Ken Rowe; Michelle Stephens*

BOARD MEMBERS ABSENT: *Bruce Benjamin; Jim Gebhart*

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

GUESTS PRESENT: *Jody Britt, Archer Advising; Martha Kulmacz, Attorney General's Office*

<p>17. Board Development; Communications and Messaging – Jody Britt, Archer Advising</p>	
<p>Millican reconvened the meeting at 9:00 a.m. on Wednesday, September 19 and recognized Jody Britt for presentation. Ms. Britt highlighted the importance of unified messaging and discussed means of effective communication to further the TSET mission.</p>	
<p>*The board was presented with a revised version of the tobacco policy resolution document and resuming discussion from tabled agenda item 7(c), accepted the language as amended.</p> <p align="center"> Oklahoma Tobacco Settlement Endowment Trust Board of Directors: “Oklahoma needs effective public policy to protect all Oklahomans from the dangers of tobacco.” </p> <p>September 19, 2018</p> <p>WHEREAS, smoking kills more people than alcohol, AIDS, car accidents, illegal drugs, murders and suicides combined and is the leading cause of preventable death and illness in the United States;</p> <p>WHEREAS, 7,500 Oklahoma adults die each year from smoking, 88,000 Oklahoma children now under 18 will die prematurely from smoking, and for every one person who dies because of smoking at least 30 people live with a serious smoking-related illness;</p> <p>WHEREAS, smoking during pregnancy increases the likelihood of children being born prematurely or at a low birth rate; premature babies may suffer lifelong consequences, including cerebral palsy, developmental delays, chronic lung disease and vision or hearing loss;</p>	<p>The board voted unanimously to approve adoption of a resolution on tobacco policy as written.</p>



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WHEREAS, more than half of all Oklahoma adults report being exposed to cancer-causing secondhand smoke – a rate higher than the national average – and while more than half of the U.S. has comprehensive protections from secondhand smoke, Oklahoma does not;

WHEREAS, 95 percent of smokers began using tobacco before turning 21, and 4 of 5 kids who started using tobacco began with a flavored product and with vulnerability to addiction peaking in adolescence;

WHEREAS, in 2006, a U.S. federal court found Altria, Philip Morris USA, R.J. Reynolds, and other tobacco companies in violation of the Racketeer Influenced and Corrupt Organizations Act (RICO), citing 145 distinct acts of racketeering in a 1,682 page ruling (United States v. Philip Morris) and finding the companies' fraudulent conduct has permeated all aspects of their operations, that they would likely continue committing fraud indefinitely into the future, and that their conspiracy sought not only to misinform the public, but also lawmakers;

WHEREAS, tobacco companies began publishing court-ordered "corrective statements" in November 2017 regarding the adverse health effects of smoking; the addictiveness of smoking and nicotine; the lack of any significant health benefit from smoking 'low tar,' 'light,' 'ultralight,' 'mild,' and 'natural,' cigarettes; manipulation of cigarette design to ensure optimum nicotine delivery and increase addictiveness; and health risks of exposure to secondhand smoke;

WHEREAS, Oklahoma's laws do not include full protections from tobacco use and secondhand smoke for adults and children, and current Oklahoma law includes tobacco industry provisions that continue to make it easier for youth and young people to begin using tobacco, keep tobacco users addicted, expose workers to toxic secondhand smoke, prevent cities from protecting citizens from secondhand smoke exposure in their communities, and create an uneven playing field for some businesses;

WHEREAS, the TSET Board of Directors acknowledges that major U.S. tobacco companies were found to have an ongoing pattern of criminal activity, causing great harm to many Oklahomans; and hereby seeks the remediation of tobacco industry influences in Oklahoma laws; and

BE IT THEREFORE RESOLVED, the TSET Board of Directors respectively encourages the public and lawmakers to embrace high-impact state and local policies to keep young people from starting to use tobacco products, encourage



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<p>those who use tobacco products to quit, protect all Oklahomans from toxic secondhand smoke and modernize state laws to support 100% tobacco free environments.</p> <p>BE IT THEREFORE RESOLVED, the TSET Board of Directors supports efforts to:</p> <ul style="list-style-type: none"> • enact comprehensive clean indoor air laws • prohibit smoking in cars with minors • ban menthol and other flavored tobacco products • enact meaningful price increases on tobacco products within the next decade • prevent and reduce access to all tobacco products, including vapor products by increasing the age to purchase tobacco to 21 • strengthen laws that prevent young people from having access to cigarettes and other tobacco products and support adequate enforcement of those provisions • modernize employment laws to allow employers to support tobacco-free environments. <p>FURTHERMORE, BE IT THEREFORE RESOLVED, the TSET Board of Directors respectively recommends the adoption of the aforementioned policies and when enacted, in combination with enhanced investments in tobacco use prevention and cessation efforts, are expected to cut Oklahoma’s adult smoking in half by 2028, and prevent young people from starting to use tobacco.</p> <p>THE TSET BOARD OF DIRECTORS hereby calls upon other interested groups and governing bodies to adopt similar resolutions.</p> <p><i>Motion:</i> Don Millican <i>Second:</i> Ken Rowe</p>	
<p>18. Strategic Long Term Planning</p>	
<p>Woods engaged the board in discussions relating to long-term planning on internal operations, board policy with regard to unsolicited proposals and spending, and overall direction on programmatic activity including establishment of investment priorities and comprehensive approach.</p>	<p>Ken Rowe exited at 12:46 p.m.</p>
<p>19. New Business</p>	
<p>No new business.</p>	



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20. Adjournment	
Motion: Casey Killblane Second: Curtis Knoles	The board voted unanimously to adjourn and the meeting adjourned at 1:38 p.m. (Absent: Ken Rowe)