

# OKLAHOMA TOBACCO SETTLEMENT ENDOWMENT TRUST

*Annual Report FY07*



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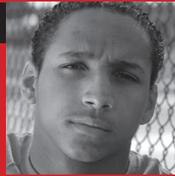


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This publication was issued by the Oklahoma Tobacco Settlement Endowment Trust as authorized by Tracey Strader, Executive Director. 750 copies were printed by the University of Oklahoma Printing Services in April 2008 at a cost of \$5,136. Copies have been deposited with the Publications Clearinghouse of the Oklahoma Department of Libraries.

Visual Communication: Shauna Schroder

# TOBACCO STOPS WITH ME.

*a call to each of us*

The Board of Directors and staff of the Oklahoma Tobacco Settlement Endowment Trust (TSET) are pleased to present our Annual Report for fiscal year 2007 — *Tobacco Stops With Me*. The “Tobacco Stops With Me” campaign was developed by Oklahomans, for Oklahomans, in FY07 and will be launched across the state in January 2008.

“Tobacco Stops With Me” calls on all Oklahomans to do their part in preventing and reducing tobacco use — our state’s leading cause of preventable death. Specifically, each of us can make our homes and cars tobacco-free, use or tell a loved one about the *Oklahoma Tobacco Helpline* at 1-800-QUIT-NOW, refuse tobacco industry sponsorship of events, join a local coalition that is working to make a difference in our communities, and support strong public and voluntary policies that will protect the public and workers from secondhand smoke and prevent initiation to tobacco use. For information on how you can make a difference, we invite you to visit [www.StopsWithMe.com](http://www.StopsWithMe.com).

Although TSET’s tobacco control programs are expanding as the endowment’s earnings continue to grow each year, it is only through a major statewide movement, with everyone doing their part, that we will succeed in making Oklahoma a healthier place to live, work, and learn. As you will see in this report, our grantees and partners throughout the state have accomplished a great deal this year, but there is still much more to be done.

The Board of Directors remains steadfast in our commitment to expand effective tobacco control programs and services, with the ambitious goal of reducing Oklahoma’s tobacco use rates to below the national average by 2012. In FY08, we will also begin to explore TSET’s future role in addressing our state’s epidemic of poor nutrition and lack of physical activity, and establish a process for accepting unsolicited proposals to address emerging issues in our state.

We look forward to working with you in partnership to improve Oklahoma’s health status and our state’s rankings among our peers. With each step we take together, we move closer to creating a healthier Oklahoma.



Kenneth D. Rowe  
Chair, Board of Directors



Tracey Strader  
Executive Director

# WHAT GUIDES US.

*vision, mission, values & behaviors*



## VISION

Improve the Health of Every Oklahoman

The Oklahoma Tobacco Settlement Endowment Trust (TSET) was created through a voter-approved constitutional amendment in November 2000, as a result of the 1998 Master Settlement Agreement between 46 states and the tobacco industry. Oklahoma's Attorney General, Drew Edmondson, was one of the eight attorneys general to serve on the negotiating team of the Master Settlement Agreement.

Oklahoma is the only state in the nation to have constitutionally protected the majority of the settlement funds in an endowment from which only the interest and dividend earnings may be spent on programs to improve the health of Oklahomans. The endowment ensures a growing funding source dedicated to these purposes for generations to come.



## MISSION

To improve the health and quality of life of all Oklahomans through accountable programs and services that address the hazards of tobacco use and other health issues.

As stated in the Oklahoma Constitution, the endowment's funds are invested by a Board of Investors and the earnings are expended by an independent Board of Directors to support programs and services in the following areas:

- Clinical and basic research and treatment efforts in Oklahoma for the purpose of enhancing efforts to prevent and combat cancer and other tobacco-related diseases;
- Cost-effective tobacco prevention and cessation programs;
- Programs designed to maintain or improve the health of Oklahomans or to enhance the provision of health care services to Oklahomans, with particular emphasis on such programs for children;

- Programs and services for the benefit of the children of Oklahoma, with particular emphasis on common and higher education, before- and after-school programs, substance abuse prevention and treatment programs and services designed to improve the health and quality of life of children; and
- Programs designed to enhance the health and well-being of senior adults.

To date, the TSET Board of Directors has dedicated all of the available earnings to programs to prevent and reduce tobacco use and addiction. This strategy addresses each of the areas specified in the Constitution and provides the greatest opportunity for impact with the limited resources available in the early years of the endowment. As earnings grow over time, the Board of Directors will continue to expand its investment in tobacco control programs while beginning to fund additional programs that will improve the health of Oklahomans.

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## VALUES AND BEHAVIORS

To encourage programs and initiatives that are based on the best research available, follow practices with proven results, and provide the best opportunity for success.

Oklahoma's tobacco control program utilizes proven strategies that combine community-based, cessation, and counter-marketing programs to reduce pro-tobacco influences, prevent and reduce tobacco use and addiction, and reduce exposure to secondhand smoke.

There is an overwhelming body of scientific studies and best practices which demonstrate the effectiveness and cost-effectiveness of a comprehensive tobacco control program. While the federal government and many private foundations primarily fund innovative grants to identify effective programs, TSET is uniquely positioned to bring these proven programs to scale in Oklahoma.

In addition, the TSET Board of Directors recently approved funding for the Oklahoma Tobacco

(continued)

Research Center (OTRC) within the University of Oklahoma Comprehensive Cancer Institute. The OTRC will help to ensure that programs funded to fight tobacco addiction in Oklahoma remain among the most effective in the country and bring additional grant funding to bear on tobacco use in Oklahoma. OTRC activities will be outcomes-based transdisciplinary and focused on evidence-based practices.

To work cooperatively with other public and private organizations and funders to support joint efforts that will use funds efficiently, avoid duplication, minimize administrative expense, and provide the best opportunity for sustained activity.

Recognizing the expertise that exists in our state, TSET has partnered with the Oklahoma State Department of Health, Tobacco Use Prevention Service, to provide and coordinate training and technical assistance to TSET-funded tobacco control programs. Through this partnership TSET avoids duplication and leverages federal, state, and private funds to help fulfill the Oklahoma State Plan for Tobacco Use Prevention and Cessation.

In FY07, TSET worked collaboratively with statewide coalitions and state agencies to promote effective

public and private policies that will change the culture of tobacco use and reduce tobacco-related diseases and death in Oklahoma.

Statewide coalition partners include the Oklahoma Alliance on Health or Tobacco, Oklahoma Turning Point, and Strong and Healthy Oklahoma. State agency collaborations included initiatives with the Oklahoma State Department of Health, Oklahoma Health Care Authority, Oklahoma State and Education Employees Group Insurance Board, Oklahoma Department of Mental Health and Substance Abuse Services and others.

Operationally, TSET contracts with a variety of state agencies to provide many of the agency's essential services. For example, information technology and certain financial management and procurement functions are provided by the Office of State Finance, legal services are provided by the Office of the Attorney General, consultation on program grants and contracts are provided by the Department of Central Services, and payroll and personnel services are provided by the Office of Personnel Management. Through this "virtual infrastructure" TSET is able to minimize administrative expense and maintain a small core staff to carry out the grants management and administrative functions of the agency.

To make funding decisions based on the priorities of the Board and the merits of the proposal, independent of political influence and conflict of interest.

By design, the constitutional amendment that created TSET established an independent, bipartisan Board of Directors representing each of Oklahoma's five Congressional districts. Each of the seven board members are appointed by different elected officials: Governor, Treasurer, Attorney General, State Auditor and Inspector, State Superintendent of Public Instruction, House of Representatives, and State Senate. The Board of Directors sets the agency's strategic direction and oversees all of TSET's programs, evaluations, and agency operations functions.

The majority of TSET-funded grants or contracts are the result of a competitive process in which proposals

*"Our 24/7 tobacco free campus policy is the standard for where we should be. Now we routinely remind everyone of our policy through our actions, signage, announcements, and our active Students Working Against Tobacco (SWAT) team. If our policy prevents one student from becoming addicted to tobacco, then our effort has been worth it."*

Rick Garrison, Superintendent, Burns Flat - Dill City Public Schools

From Left: Eric Todd, Taylor Harbuck, Mrs. Gastineau, Kira Hoefar, Erica Smith, and Rick Garrison (Superintendent)



are reviewed by an external review committee made up of content experts outside the State of Oklahoma. This process helps assure an impartial review and avoid conflicts of interest. Other program grants and contracts may be awarded through intergovernmental or sole source contracts as allowed by state law, depending on the unique needs to be addressed.

To plan and encourage community-based comprehensive services for all areas of Oklahoma, including urban and rural communities.

As recommended by a national panel of tobacco control experts, between 30 percent and 40 percent of TSET's program funding is allocated to community-based services through the *Communities of Excellence in Tobacco Control* and the *Addressing Tobacco in Specific Populations* grant programs.

Each of TSET's community grant programs work with coalitions that have a history of success in addressing the health concerns of their communities. These grant programs could not be successful without the expertise, resources, and passion of numerous organizations, professionals, and volunteers throughout the state.

Five-year *Communities of Excellence* grants have been awarded to 16 urban and rural coalitions serving 25 counties and three tribal nations. Four additional grantees provide tobacco control programs for specific populations including college students, rural youth at risk for smokeless tobacco use, an urban population in low-income housing, and the deaf and hard of hearing statewide. These and other community-based initiatives will be expanded as the earnings from the endowment's investments grow.

To encourage grantees to match grant monies awarded with monetary commitments and in-kind matches.

All community-based grantees are required to provide a 10 percent match to their grant program each year. Organizations funded to provide training and technical assistance, evaluation, and research also provide matching or leveraged funds to the program.



**"Oklahoma State University is committed to the promotion of wellness and healthy living for its students, faculty, employees and visitors. Part of that commitment involves taking an active role in discouraging the use of tobacco. By prohibiting tobacco use on all our campuses and by offering free cessation and support services for students trying to quit, we know we can reach our goal of making OSU America's healthiest University."**

Dr. Lee Bird, Vice President for Student Affairs - Oklahoma State University

Front Row: Justin Biassou, Student Government Association (SGA); Shayna Daitch, SGA;  
Middle Row: Bill Cash, student member of OSU Tobacco Education Advisory Board;  
Lee Bird, OSU Vice President for Student Affairs; Ben Stukenborg, SGA;  
Back Row: Cody Melton, SGA; Yvon Fils-Aime, OSU Seretean Wellness Center

To require measurable outcomes, appropriate evaluation, and annual evaluation reporting of all funded programs.

Evaluation is an essential and integral part of all TSET-funded initiatives. TSET contracts with the University of Oklahoma, College of Public Health (OUCOPH) to provide an independent or external evaluation of the agency's tobacco control programs. The OUCOPH subcontracts with other universities and organizations to assist with certain evaluation activities.

All community-based grantees engage in a planning phase in which they conduct community assessments and develop strategic plans that guide their implementation activities in subsequent years. Strategic plans focus on specific "indicators" that will lead to measurable outcomes. Other program components set measurable objectives or benchmarks and are evaluated accordingly.

# SETTING PRIORITIES.

*strategic planning for programs*



The Centers for Disease Control and Prevention (CDC) recommends that Oklahoma should spend a minimum of \$32 million per year on a comprehensive, statewide tobacco control program. Combining educational, clinical, regulatory, economic, and social strategies, these comprehensive programs encompass coordinated efforts to establish smokefree policies and social norms, to promote and assist tobacco users to quit, and to prevent initiation of tobacco use.

Recent CDC studies have found that among individual states, declines in adult smoking prevalence were directly related to increases in state per person investments in tobacco control programs; and that sustained, well-funded programs become increasingly effective over time.

Priority is given to evidence-based approaches that will impact whole populations. An emphasis on systems change through public and organizational policy helps to assure that change is institutionalized and sustained.

TSET's investment in tobacco control programs has expanded from \$500,000 in FY02 to over \$7 million in FY07. As a result, Oklahoma's national ranking in spending on tobacco control programs has improved from 41st in 2003 to 20th in 2007. In addition, early indications of progress resulting from effective policies and programs offer hope that Oklahoma's high prevalence rates of adult and youth tobacco use will show additional declines in the near future.

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Smoking causes coronary heart disease, the leading cause of death in the United States, and cigarette smokers are 2-4 times more likely to develop coronary heart disease than nonsmokers.

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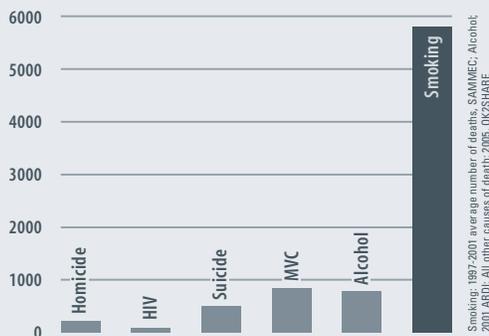
Because over 30 percent of all cancer deaths in the U.S. are tobacco-related, preventing tobacco use is the single greatest factor in reducing cancer incidence and mortality.

28

Smokeless tobacco contains 28 cancer-causing agents (carcinogens) and increases the risk of developing cancer of the oral cavity.

Tobacco use remains the leading cause of preventable death in Oklahoma, killing more Oklahomans each year than murder, suicide, HIV/AIDS, auto accidents and alcohol COMBINED.

Preventable Causes of Death in Oklahoma



25-30

Nonsmokers who are exposed to secondhand smoke at home or at work increase their risk of developing heart disease by 25-30 percent and lung cancer by 20-30 percent.

90/80

Smoking causes about 90 percent of lung cancer deaths in men and almost 80 percent of lung cancer deaths in women. Smoking also causes cancers of the bladder, oral cavity, pharynx, larynx (voice box), esophagus, cervix, kidney, lung, pancreas, and stomach, and causes acute myeloid leukemia.

20-30

Tobacco use costs every Oklahoman \$750 every year whether they use tobacco or not; The tobacco industry spends \$70 per person per year to promote their deadly products; Oklahoma currently spends \$4 per person per year to reduce and prevent tobacco addiction.

750 · 70 · 4

# PROGRAMS WE **FUND.**

*comprehensive tobacco control*



To date, the Board of Directors has dedicated all of the Endowment's available earnings to help establish a statewide, comprehensive tobacco control program, as recommended by the CDC.

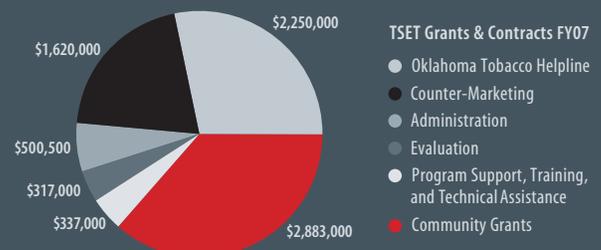
The *Oklahoma Tobacco Helpline* offers tobacco cessation services to all Oklahomans with a desire to quit smoking or using other tobacco products.

Community based programs include the *Communities of Excellence in Tobacco Control* and *Addressing Tobacco in Specific Populations* programs. Community programs are comprehensive in scope and require local coalition and community partner support to reach broad populations.

Community programs are supported with intensive training and technical assistance designed to build capacity, assure coordination between state and local initiatives, and assist grantees in their efforts to make substantial progress toward objectives.

Social marketing is used to counter the tobacco industry's aggressive marketing tactics, promote use of the *Oklahoma Tobacco Helpline*, and stimulate support for state and local policies and programs.

Each program component is evaluated to measure progress, identify areas for improvement, and aid in program funding decisions.



## OKLAHOMA TOBACCO HELPLINE

The *Oklahoma Tobacco Helpline* at 1-800-QUIT-NOW is a telephone-based tobacco cessation counseling service, provided at no charge to Oklahomans with a desire to quit smoking or other tobacco use. Participants engage in a series of counseling calls with professional “Quit Coaches” throughout their quitting process.

Proactive telephone-based cessation counseling services have shown strong evidence of effectiveness in reaching large numbers of tobacco users to help them successfully quit tobacco. Quitlines reduce the barriers found in traditional programs as they require no transportation, or child care. The services are available at the participant’s convenience and tailored to their individual needs.

*Research has found that using the Helpline services makes a tobacco-users quit attempt at least twice as likely to succeed.*

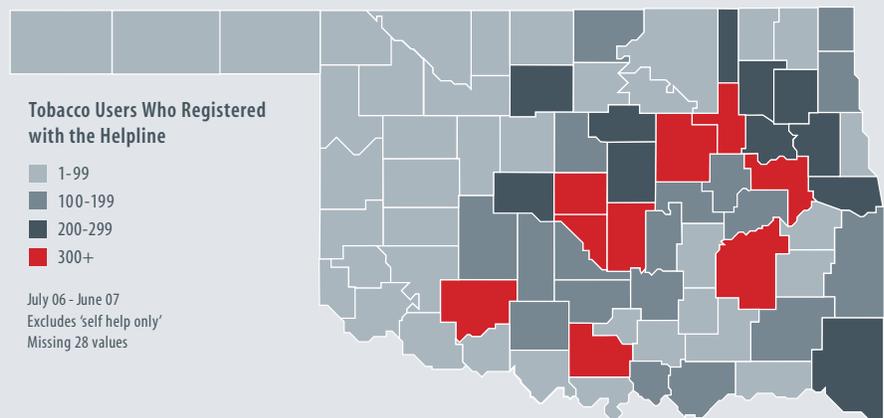
In FY05, TSET began leveraging additional funding for the *Helpline* from tobacco tax dollars made available through the Oklahoma State Department of Health.

In FY07, free nicotine patches or gum were offered to the uninsured and Medicare participants enrolled in the *Helpline* program, and for a limited time, two-week “starter kits” of nicotine replacement therapy were provided to the insured during a Mother’s Day promotion that extended through June 30, 2007.



Approximately 61 percent of *Helpline* registrants received NRT in FY07.

In FY07, more than 18,000 Oklahomans registered for *Helpline* services. Nearly 58 percent of tobacco users who registered for services reside in the 25 counties covered by TSET-funded *Communities of Excellence* programs.



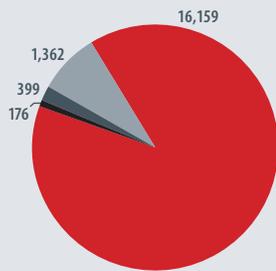
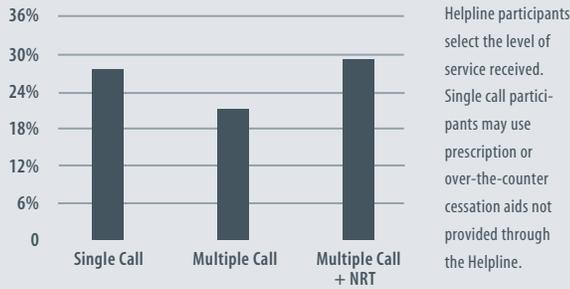
**“I have been tobacco free for more than 13 months and I feel great! I really appreciate the Oklahoma Tobacco Helpline’s coaching services and free nicotine patches. I had to make the decision to quit, but once I did, the Helpline was there with the support I needed to make my quit successful.” Jami Strickland, Drumright, quit smoking after 25 years. Her inspiration came from her grandchildren.**

Jami Strickland with grandchildren from left: Sam Levis, 6, Savannah Levis, 5, and Sydney Levis, 10.

Photo Credit: Sherry Brown/Tulsa World

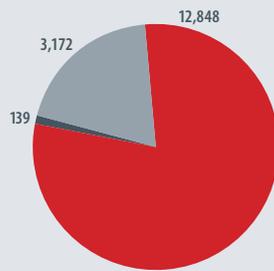


### Quit Rates at 13 Months - FY07



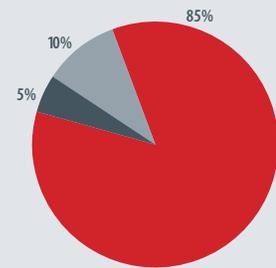
Total Helpline Registrants  
18,096

- health care providers
- family and friends
- general public
- tobacco users



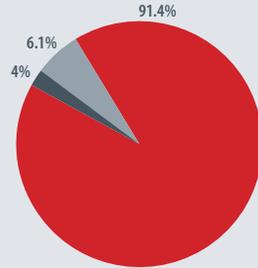
Tobacco User Registrants  
by Intervention Type

- self help only
- single call intervention
- multiple call intervention



Satisfaction of Tobacco Users -  
Single & Multiple Call Combined

- not at all satisfied
- somewhat satisfied
- very or mostly satisfied



Satisfaction of Tobacco Users  
Receiving Multiple Call + NRT

- not at all satisfied
- somewhat satisfied
- very or mostly satisfied

Follow-up evaluations with multiple-call participants at 13 months indicated that 27 percent were abstinent from tobacco. This rate far exceeds the quit rate of 5 percent for those who go “cold turkey.”

Satisfaction with Helpline services remains high. Those receiving coaching plus nicotine replacement therapy (NRT) from the Helpline report the highest satisfaction levels.

As is typical with most tobacco quitlines, nearly two-thirds of all callers to the *Oklahoma Tobacco Helpline* in FY07 were female. Callers to the *Oklahoma Tobacco Helpline* represented all race/ethnic groups including Native American (11.5 percent), African American (7.9 percent), and Caucasian (76.4 percent) residents. Only 3.1 percent of callers reported that they are of Hispanic ethnicity.

In FY07, the *Oklahoma Tobacco Helpline* served adult Oklahomans of all ages; however the majority of program participants were between ages 25 and 54. It is noteworthy that almost two-thirds of *Helpline* registrants (64 percent) have incomes of \$20,000 or less, and 24 percent have less than a high school degree.



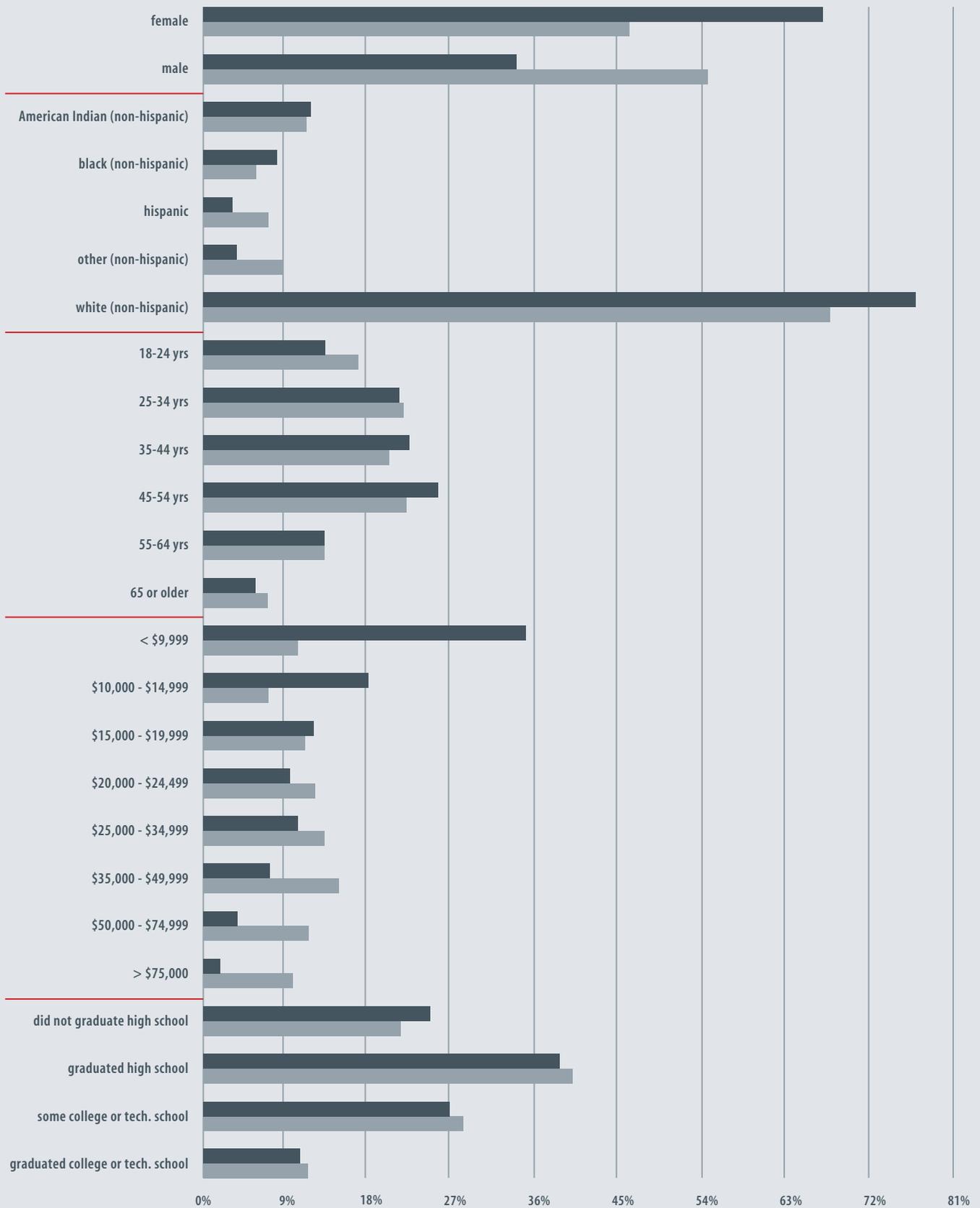
“Sysco-Oklahoma strongly believes in the benefits to our associates of being tobacco-free. We provide low-cost options for tobacco cessation as well as a cash incentive for all associates who become tobacco-free. We had twelve associates complete more than one year of tobacco-free living since starting this program in 2006.”

Chris K. Davis, President & CEO - SYSCO Food Services of Oklahoma, Inc.

From Left: Phil Harris (Driver Check In), Chris Davis (President/CEO), Marcy Chapman (Multiunit Customer Service), and Jim Gard (Merchandiser).

Demographics of State Tobacco Users and Helpline Tobacco User Callers (FY07)

■ Helpline Tobacco User Callers  
 ■ State Tobacco Users



## COMMUNITIES OF EXCELLENCE IN TOBACCO CONTROL

Community-based programs are a key component of any effective comprehensive tobacco control effort. In FY07, the TSET Board of Directors renewed the *Communities of Excellence* program grant awards for 16 urban and rural coalitions serving 25 counties and three tribal nations. *Communities of Excellence* programs completed the third year of a five year grant.

*"The J&K Rodeo Company knows bull riding is a family event. We hold one of the largest high school events in the state, the Lil' Del Rio Rodeo and tobacco advertisement just doesn't belong. Allowing tobacco sponsorship in a family atmosphere says to everyone that tobacco is okay and entices children to engage in activities that are unlawful, and unhealthy. We believe it is our responsibility to make sure tobacco is not a part of our bull riding events."*

J.D. Moore, Owner • J&K Rodeo Company

Atoka and Coal County Partnership for Change Coalition SWAT Coordinator Nikki Powell and J.D. Moore



Based on the initial successful efforts of the original *Communities of Excellence* grantees, the Board of Directors authorized expansion of this program. Seven new grantees covering 13 additional Oklahoma counties will join the *Communities of Excellence* program in FY08.

*Communities of Excellence* coalitions are as varied as the communities they serve and include representation from coalitions such as Turning Point, substance abuse prevention, tobacco control, child abuse prevention, and community health and wellness.

### Grantee and Coalition Goals

- prevent youth tobacco use
- promote cessation among youth and adults
- reduce exposure to secondhand smoke
- eliminate disparities in tobacco use among populations

### FY06 to FY07 Accomplishments

- 94 percent increase in the number of local Clean Indoor Air Ordinances passed (16 in FY06 to 31 in FY07)
- 63 percent increase in the number of top 10 employers providing tobacco dependence treatment coverage consistent with the U.S. Public Health Clinical Practice Guidelines (30 in FY06 to 49 in FY07)
- 49 percent increase in the number of school districts or private schools that passed 24/7 tobacco-free policies (63 in FY06 to 94 in FY07)

- 98 percent of restaurants in grantee counties are 100 percent smokefree

### Grantee Highlights

- J&K Rodeo Company in Atoka County became the first rodeo in the state to create a policy to reject tobacco sponsorship. Circle L Roundup Club in Carter County became the second rodeo to adopt a similar policy.
- The Project SPIT Coalition, serving Pushmataha and Choctaw Counties, received the "Champions of Health" in Education/Awareness Award from Blue Cross and Blue Shield of Oklahoma.
- Abstracts from five Oklahoma grantees were accepted and presented at the 2007 National Conference on Tobacco or Health, including three presentations by youth.

### Tobacco Control Policy Adoption (A few examples from FY07)

*Health care facilities adding campus-wide tobacco-free policies:*

- Cheyenne and Arapaho Clinic
- Cushing Regional Hospital
- Drumright Regional Hospital
- Fairfax Hospital
- Integris Hospital in Clinton
- Stillwater Medical Center
- W.W. Hastings Indian Hospital in Tahlequah
- Weatherford Hospital

*Athletic associations banning tobacco:*

- Midwest City Soccer Club
- Moore Youth Baseball Association
- Moore Football Association

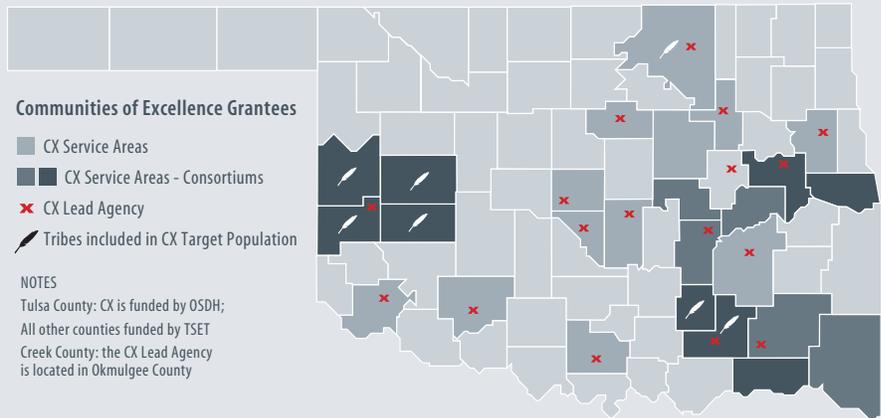
*Businesses adopting tobacco-free property policies:*

- Eaton Corporation, 400 employees
- ORS (Oklahoma Rig and Supply), 300 employees
- Sysco-Oklahoma, 350 employees

*Education facilities adopting 24/7 campus-wide tobacco-free policies:*

- 31 primary and secondary schools added policies including 28 public and three private schools
- Head Start of Cushing
- Oklahoma State University, the first in the Big 12 to go tobacco-free
- Osage Nation Head Start program
- Osage Nation Education Department

Across the state many other public and private organizations have joined the effort to create tobacco-free environments through effective policies for a healthier Oklahoma.



**Special Youth Recognitions**

In 2007 there were more than 150 active Students Working Against Tobacco (SWAT) teams in Oklahoma. The SWAT mission is to empower and unite youth to resist and expose big tobacco's lies while changing current attitudes about tobacco.

- Kristy Ordonez from Carter County was selected as the Central Region Youth Advocate of the Year by the national Campaign for Tobacco Free Kids. Kristy was featured in Scholastic magazine.
- Dena Squyres of Cherokee County was selected as Oklahoma's Youth Advocate of the Year. Dena won a

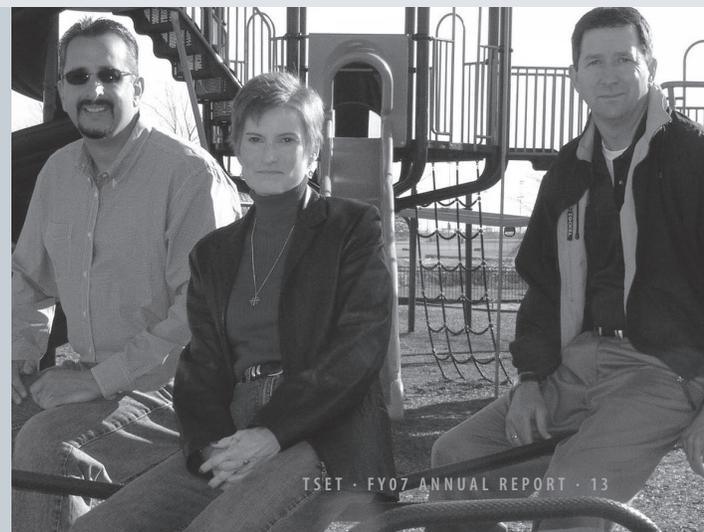
national Bill Gates Award for her tobacco advocacy efforts and her involvement in other community activities.

- The Oklahoma School for the Blind was selected as Oklahoma SWAT Team of the Year.
- Stephanie Dobbins from Cherokee County was selected to serve on the national American Legacy Foundation Youth Activism Council.
- More than 400 SWAT members protested big tobacco's sponsorship of Professional Bull Riders, Inc. events. A video of the protest with youth commentary is posted on the YouTube Web site.

*"The City of Owasso is committed to the health and protection of our citizens, and most especially our youth, from the hazards associated with the use of tobacco. Community support for the ordinances enacted by the City in the past year: prohibiting youth from purchasing tobacco products, prohibiting the use of tobacco in certain indoor settings, and prohibiting the use of tobacco in our City's parks, has been overwhelming from both adults and youth. The City of Owasso will continue to make the health and safety of its youth and all citizens a priority and ensure that recreation in city parks may be enjoyed by all citizens without exposure to tobacco products."*

Julie Trout Lombardi, City Attorney, Owasso

From Left: Stephen Cataudella (Mayor), Julie Trout Lombardi (City Attorney), and Dan Yancy (Chief of Police).



## OKLAHOMA TOBACCO RESEARCH CENTER

In FY07, the TSET Board of Directors authorized funding for the Oklahoma Tobacco Research Center (OTRC) within the University of Oklahoma Comprehensive Cancer Institute. The mission of the OTRC is to reduce the burden of tobacco related health problems

in Oklahoma by stimulating the generation and dissemination of knowledge and the implementation and diffusion of effective practices.

The OTRC will help to assure that TSET's tobacco control programs remain among the most effective in the nation.

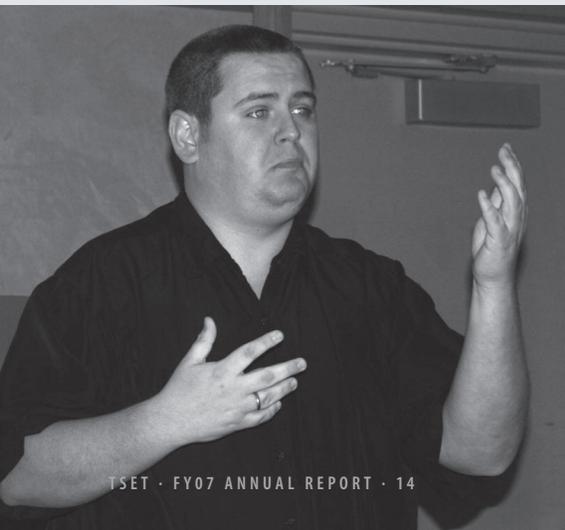
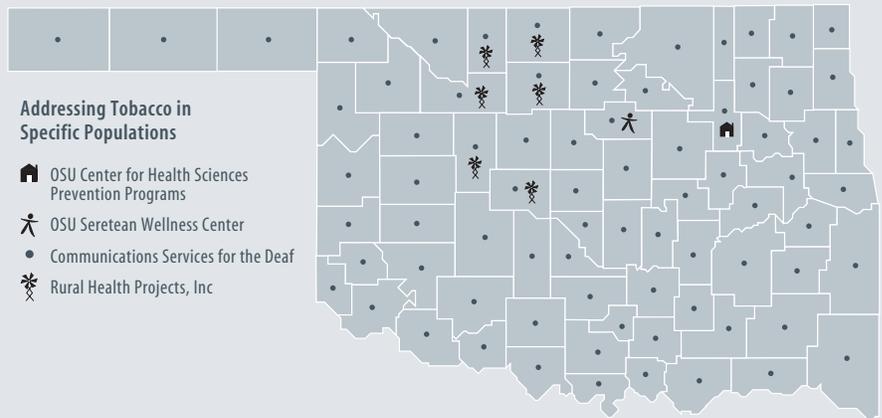
In addition, the OTRC will leverage TSET's investment to bring additional grant funding to bear on tobacco use in Oklahoma. OTRC activities will be outcomes-based, transdisciplinary and focused on evidence-based practices.

## ADDRESSING TOBACCO IN SPECIFIC POPULATIONS

In FY07, *Specific Populations* grantees engaged in a strategic planning process which will guide their grant activities in future years. Throughout the planning phase, grantees and coalition members conducted community assessments, gathered survey information on targeted populations, and participated in training sessions presented by national and local tobacco control, planning and evaluation experts.

One grantee, Communication Services for the Deaf of Oklahoma, had the opportunity to recommend technological improvements and provide training about Deaf culture

for the North American Quitline Consortium (NAQC), a network of quitlines in the U.S., Canada, and Mexico.



"Through our specific populations grant, CSD of Oklahoma has been working closely with the Oklahoma Tobacco Helpline service provider in an effort to ensure communication accessibility between the deaf and hard of hearing community and the Helpline. The transition from the old text-based communication to videophone technology will provide a live point-to-point video feed between Helpline Quit Coaches and callers communicating in American Sign Language. This videophone technology and the additional training in Deaf culture for the service provider not only impacts those trying to quit tobacco use in Oklahoma who are deaf or hard of hearing but those in the 16 other states who are using the Helpline services."

Jimmy Mitchell, Program Coordinator

## PUBLIC EDUCATION COUNTER-MARKETING CAMPAIGN

According to Centers for Disease Control and Prevention (CDC) Best Practices for Comprehensive Tobacco Control Programs, counter-marketing campaigns are among the most powerful tools for preventing smoking initiation, promoting and facilitating cessation, and changing social norms related to tobacco use. Effective messages that are targeted appropriately can also stimulate a supportive climate for community efforts.

In FY07, TSET partnered with the American Legacy Foundation and Oklahoma State Department of Health (OSDH) to provide public education media campaigns.

Through the American Legacy Foundation youth ages 12-17 across the state were exposed to a “heavy” dose of the truth<sup>®</sup> campaign. truth<sup>®</sup> has been shown to effectively reduce youth smoking by countering the tobacco industry’s marketing tactics and pro-tobacco influences on our vulnerable youth.

TSET also used pre-produced television ads from other states to inform youth and adults of the cancer-causing chemicals in cigarettes, the hazards of secondhand smoke, and to promote tobacco-free environments.

In partnership with the OSDH and Legacy, print and outdoor ads targeting Native American, African American and Latino Oklahomans were placed throughout the state to promote the use of the *Oklahoma Tobacco Helpline*. In addition, the Oklahoma Health Care Authority mailed information to beneficiaries about Helpline services and the SoonerCare smoking cessation benefit.

In FY07, the OSDH and TSET coordinated the development of a counter-marketing campaign designed specifically for Oklahoma and created with input from research and focus groups around the state. The “Tobacco Stops With Me” campaign will highlight how tobacco use impacts us as individuals, how it influences our relationships, and how each Oklahoman has a role to play in the movement to reduce the burden of tobacco use in our state.

The campaign will begin in FY08 with television, radio and outdoor ads as well as an interactive Web site, [www.stopswithme.com](http://www.stopswithme.com). The “Tobacco Stops With Me” campaign will be independently evaluated by the University of Oklahoma College of Public Health.



**Big tobacco thinks  
you won't quit.**

**Call their bluff.** A study found that three major African American publications had 12% more advertisements for cigarettes than magazines targeted to the general public.\* You may not be able to keep big tobacco out of your favorite magazine, but you can keep it out of your lungs, your wallet, your family, and your life. Every day the Oklahoma Tobacco Helpline helps people quit tobacco use, for good. Today can be your day to take back control.



For FREE help with quitting,  
call the Oklahoma Tobacco Helpline.  
1-800-784-8669

**Commercial tobacco  
took control.**



**You can take it back.** Big tobacco companies have invaded our communities and jeopardized the sacred role of tobacco. Right now, we're suffering the deadly consequences. But we can fight back. We can quit commercial tobacco. Because to our people, tobacco use is sacred. And so is our future.



For FREE help with quitting,  
call the Oklahoma Tobacco Helpline.  
1-800-784-8669

# LOOKING AHEAD.

*building momentum for health*



Fiscal Year 2008 will be a year of new and renewed activity for TSET. Through the strategic efforts of the Board of Investors, the certified earnings from FY07 investments were \$3 million greater than the original estimates. This will allow the Board of Directors to expand effective tobacco control programs in FY08, and begin to address additional public health issues much earlier than expected.

In 2007, the TSET Board of Directors and staff began a strategic planning process to identify program priorities for the future. The process included a review of Oklahoma's health status indicators, research on effective programs and strategies, expert recommendations, and a survey of key stakeholders which included elected officials, community leaders, private foundations, and public, private, and voluntary agencies and associations. As a result, a new strategic plan focusing on three priority areas — tobacco control, fitness and nutrition, and emerging opportunities — will be released in 2008.

In 2008 Oklahoma's first tobacco control media campaign, "Tobacco Stops With Me," will be introduced, and the *Communities of Excellence in Tobacco Control* and the *Addressing Tobacco in Specific Populations* grant programs will be expanded. The *Oklahoma Tobacco Helpline* will begin to offer specialized services for pregnant women, expand online support services, and initiate a randomized controlled clinical trial to address weight concerns related to smoking cessation. In addition, a greater program emphasis will be placed on promoting effective tobacco dependence treatments through health care professionals, businesses, insurers, and health systems. TSET will also begin a process to accept unsolicited proposals to address emerging opportunities, primarily through tobacco control, and fitness and nutrition.

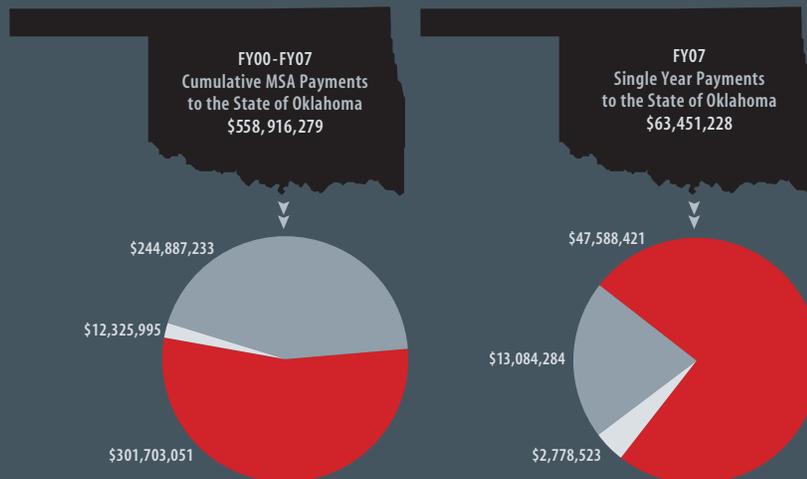
We look forward to the result of these changes and the momentum that is building in all sectors of our society to create a healthier and more prosperous Oklahoma.

# MSA PAYMENTS.

*to the state of Oklahoma*

Payments from the Master Settlement Agreement (MSA) to the State of Oklahoma began in FY2000. Tobacco settlement payments to the state are divided between the Endowment, the State Legislature, and the Office of the Attorney General. TSET's share of the MSA payments has increased from 50 percent in FY02 to 75 percent in FY07.

## Payment Distribution



- ***Tobacco Settlement Endowment Trust Fund***  
TSET's share of the Master Settlement Agreement Funds is deposited into the endowment trust where the funds are invested to generate earnings for programs.
- ***State Legislature's Tobacco Settlement Fund***  
The Oklahoma State Legislature appropriated its share of the Master Settlement Agreement funds in FY07 to the Oklahoma Department of Human Services.
- ***Office of the Attorney General***  
The Office of the Attorney General's share is placed in the Evidence Fund which by statute authorizes its use for "necessary expenses relative to any pending case or other matter within the official responsibility of the Attorney General."

# INVESTMENT STRATEGY.

*ensuring the fund's growth*



To the People of Oklahoma:

For the first time since establishment of the Oklahoma Tobacco Settlement Endowment Trust Fund in 2000, the Board of Investors was able to certify more than \$10 million in annual earnings at the end of FY07.

The earnings increases are projected to continue well into the future, providing a growing source of revenue to improve the health of Oklahomans.

Currently, 75 percent of Oklahoma's share of the national Tobacco Settlement is deposited for investment. We have made changes in our investment strategy over the past year to boost earnings without increasing risk.

In August, the board certified \$10.3 million in net earnings from the previous fiscal year. This certification reflects a \$3.5 million or 52 percent increase from the previous year.

In early 2007, the board made a change in investment policy to generate \$12.3 million in additional income during the next five years. The change generates more cash and ensures the value of the fund will continue to grow faster than inflation.

We also renegotiated all investment contracts to generate an additional \$6.2 million — reflecting a 40 percent reduction in fees — during the next five years.

The total benefit from the changes we have made is more than \$18.5 million in additional income.

A strong spirit of cooperation exists between the two boards created by the constitutional amendment and I look forward to continued success in the years to come!

Sincerely,

Scott Meacham  
Oklahoma State Treasurer  
Chair, Oklahoma Tobacco Settlement Board of Investors

At the end of FY07, the Oklahoma Tobacco Settlement Endowment Trust Fund's corpus was \$378.7 million. As mandated by the Oklahoma Constitution, the money is permanently invested and the annual earnings are certified by the Board of Investors each year for use as authorized by the Board of Directors.

The voter-approved plan to spend only the actual annual earnings certified by the Board of Investors reflects a much more conservative approach than a typical endowment fund where a set percentage of the value of the fund — usually about five percent — is spent each year. While this presents unique challenges with the investment policy of the fund, it is designed to ensure the settlement funds are forever invested to create a steady and permanent revenue stream for the benefit of Oklahomans.

TSET Certified Earnings (in Millions)



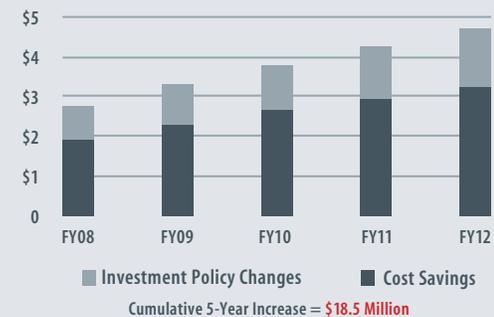
Comparison of Fees · The Board of Investors authorized the renegotiation of investment contracts to cut investment fees by \$6.2 million during the next five years.

Comparison of Fees (in Millions)



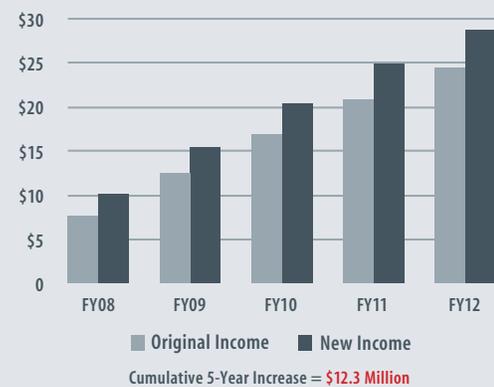
Increased Earnings · The Board of Investors approved changes in the investment portfolio that are expected to yield an additional \$12.3 million during the next five years. The approved changes will generate additional cash while protecting the trust from inflation.

Increased Earnings (in Millions) Available to Programs Due to Cost Savings and Investment Policy Changes



Comparison of Income · Changes approved by the Board of Investors in investment fees and the investment policy are expected to boost earnings to the trust by an additional \$18.5 million during the next five years.

Comparison of Income (in Millions)



TSET's complete AUDIT REPORT can be found online at [www.tset.ok.gov](http://www.tset.ok.gov) or is available in hard copy by request.

## BOARD OF DIRECTORS

The seven-member Board of Directors is responsible for directing the earnings from the Endowment trust to fund programs to improve the health and well-being of all Oklahomans.

Initial appointed members served staggered terms of office, and subsequent appointed members serve seven-year terms. As specified in the Constitution, at least one appointee must be appointed from each Congressional district, and not more than two appointees may be appointed from any single Congressional district.

In addition, not more than four appointees may be from any one political party. All appointees must have demonstrated expertise in public or private health care or programs related to or for the benefit of children or senior adults.

Full biographies on the TSET Board of Directors can be found at [www.tset.ok.gov](http://www.tset.ok.gov).



**Kenneth D. Rowe**  
Appointed by the Senate President Pro Tempore  
Chair



**Don Cooper, MD**  
Appointed by the Governor  
Vice Chair  
Chair, Evaluation Committee



**George E. Foster, OD**  
Appointed by the Speaker of the House  
Member, Programs Committee



**Casey Killblane**  
Appointed by the State Superintendent of Public Instruction  
Chair, Agency Operations Committee



**W. R. "Bill" Lissau**  
Appointed by the State Treasurer  
Member, Evaluation Committee



**Robert McCaffree, MD**  
Appointed by the Attorney General  
Member, Agency Operations Committee  
Founding Board Chair



**Susan Walters Bizé**  
Appointed by the State Auditor & Inspector  
Chair, Programs Committee  
Past Board Chair

## BOARD OF INVESTORS

The five-member Board of Investors is responsible for safely and effectively investing the money entrusted to the trust fund to ensure a steady and growing flow of earnings to fund the programs initiated by the Board of Directors.

Initial appointed members served staggered terms of office, and subsequent appointed members serve four-year terms.

As specified in the Constitution, no more than two appointees may be appointed from any single Congressional district. All appointees must have demonstrated expertise in public or private investment funds management. The constitutional amendment approved by Oklahoma voters establishes the State Treasurer as the chair of the Board of Investors.

Full biographies on the TSET Board of Investors can be found at [www.tset.ok.gov](http://www.tset.ok.gov).



**The Honorable Scott Meacham**  
State Treasurer  
Chair



**David Rainbolt**  
Appointed by the Speaker of the House  
Vice Chair



**David Hinkle**  
Appointed by the State Auditor & Inspector



**Phil Tholen, CPA**  
Appointed by the Senate President Pro Tempore



**Jimmy Williams, CPA**  
Appointed by the Governor

## TSET STAFF

As we hope this annual report conveys, we at the Oklahoma Tobacco Settlement Endowment Trust are committed to a healthier Oklahoma. We are also committed to identifying the best opportunities to fulfill our mission through partnerships that support our grantmaking values and behaviors.

A meaningful exchange of information is often the first step toward

real change, so we invite your inquiries, questions, and suggestions at any time.

We look forward to working with our current and future partners in preventing and reducing tobacco use and addiction, promoting fitness and nutrition, and addressing emerging opportunities that will promote a healthy and prosperous Oklahoma.



From Left:

**Sjonna Paulson, APR**  
Director of Communications

**Jonás Mata, MSW**  
Director of Grants & Programs

**Tracey Strader, MSW**  
Executive Director

**Sharon Neal**  
Program Officer

**Dorothy Antwine**  
Executive Administrative Assistant

**Carol Hernandez**  
Administrative Assistant



**Oklahoma Tobacco Settlement  
Endowment Trust**

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## GRANTS · FY07

### Communities of Excellence

FY03 Award · Five-Year Grants

Atoka County Health Department (Atoka) \$125,000 Coalition: Atoka/ Coal Partnership for Change; serving Atoka and Coal Counties and the Choctaw Nation of Oklahoma.

Bill Willis Community Mental Health Center (Tahlequah) \$143,160 Coalition: Community Health Coalition of Cherokee County; serving Cherokee County.

City of Elk City (Elk City) \$144,011 Coalition: Western Oklahoma Coalition for Community Strengthening; serving Beckham, Roger Mills, Washita, and Custer Counties, and the Cheyenne-Arapaho Tribe.

Comanche County Memorial Hospital (Lawton) \$182,676 Coalition: Southwest Tobacco Free Oklahoma Coalition; serving Comanche County.

Community Children's Shelter & Family Service Center, Inc (Ardmore) \$125,000 Coalition: Carter County Turning Point; serving Carter County.

Gateway to Prevention and Recovery (Shawnee) \$125,000 Coalition: Shawnee Asset Building Alliance; serving Pottawatomie County.

John Crow IV Foundation (Dustin) \$157,842 Coalition: Rural Community Substance Abuse Prevention Coalition; serving Hughes, McIntosh, and Okfuskee Counties.

Muskogee County Health Department (Muskogee) \$255,999 Coalition: Muskogee Turning Point; serving Muskogee and Sequoyah Counties.

Norman Regional Health Systems (Norman) \$182,860 Coalition: Cleveland County Turning Point; serving Cleveland County.

Oklahoma City-County Health Department (Oklahoma City) \$167,429 Coalition: Oklahoma County Tobacco Use Prevention Coalition; serving Oklahoma County.

Osage Tribe of Indians (Pawhuska) \$169,060 Coalition: Osage County Community Partnership Board; Serving Osage County and Osage Tribe of Indians.

Pan OK APRC: OSU Center for Health Sciences (Stillwater) \$124,502 Coalition: Stillwater Mayor's Wellness Committee; serving Payne County.

Pittsburg County Health Department (McAlester) \$125,000 Coalition: SouthEast Tobacco-Free Oklahoma Coalition; serving Pittsburg County.

Pushmataha County Health Department (Antlers) \$216,482 Coalition: Pushmataha County Turning Point Coalition and Choctaw County Coalition for Change; serving Pushmataha, Choctaw, and McCurtain Counties.

Southwest OK Community Action Group, Inc (Altus) \$125,000 Coalition: Jackson County Community Health Action Team; serving Jackson County.

Tri-County APRC: OSU Center For Health Sciences (Morris) \$124,506 Coalition: Child Abuse Prevention Task Force District XI, Creek County Chapter; serving Creek County.

### Addressing Tobacco In Specific Populations

FY07 Award · Five-Year Grants

Communication Services for the Deaf, Inc (Tulsa) \$100,000 Serving the deaf and hard of hearing, statewide.

Oklahoma State University, Center for Health Sciences Prevention Programs (Tulsa) \$88,947 Serving the low socioeconomic status population in Tulsa, Creek, and Payne Counties.

Oklahoma State University, Sere-tean Wellness Center (Stillwater) \$100,000 Serving the university student population in Stillwater and its branch campuses.

Rural Health Projects, Inc, Northwest AHEC (Enid) \$99,172 Serving to prevent smokeless tobacco use among youth in Alfalfa, Blaine, Garfield, Grant, Kingfisher, and Major Counties.

### Oklahoma Tobacco Helpline Program

Free & Clear, Inc (Seattle, WA) \$3,500,000 Provides a telephone-based tobacco cessation service at no-charge to all Oklahomans who are ready to quit tobacco use. Also provides consultation to Oklahoma health care professionals regarding effective tobacco dependence treatment. TSET funds to Free & Clear, Inc, \$2,250,000, through June 30, 2007. Oklahoma State Department of Health funds to Free & Clear, Inc, \$1,250,000, through June 30, 2007.

### Public Education Counter-marketing Program

Oklahoma State Department of Health (Oklahoma City) \$1,620,000 Through subcontractor Brothers & Co, Tulsa, OK, the OSDH coordinates public health communications to achieve the goals of the Oklahoma Tobacco Control Program.

### Program Evaluation

Board of Regents of the University of Oklahoma, Health Sciences Center (Oklahoma City) \$371,000 Evaluates the effectiveness of the Oklahoma Tobacco Helpline, Community-based Tobacco Control grants, and Public Health Communication Interventions.

### Program Support, Training and Technical Assistance

Oklahoma State Department of Health (Oklahoma City) \$337,000 Provides technical assistance and training to TSET-funded grantees related to tobacco control. OSDH facilitates grantee progress toward outcomes and leverages additional services which are provided in-kind by staff funded by the CDC.

