

**Oklahoma Tobacco Settlement Endowment Trust**  
**Board of Directors**  
**Minutes**  
May 18, 2009

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

**Board Members Absent:** W.R. Lissau

**Staff Present:** Tracey Strader, Jonás Mata, Sjonna Paulson, Dorothy Antwine, Lance Thomas

**Guests Present:** Marla Baker, Laura Beebe, Connie Befort, Tim Berney, Lisa Day, Courtney W. Houchen, MD, Patrick Hutton, Paul Kincaid, Craig R. Knutson, Pat Marshall, Doug Matheny, Travis Monroe, Steve Prescott, Greta Puckett, Tres Savage, Susan Simpson, Regina Switzer

<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	Casey Killblane 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 March 3, 2009 Regular Board Meeting		Motion to approve Minutes of the March 3, 2009 Regular Board Meeting made by Susan Bizé and seconded by Dr. Foster. Motion passed unanimously. Bill Lissau was not present for the vote. Dorothy Antwine will make the minutes part of the permanent record.
4.a. Chair's Report – Ethics Commission Reporting	Casey Killblane announced that the Ethics Commission reports of board members and staff had been filed with the Ethics Commission.	
4.b. Chair's Report – Upcoming Board Meetings	Casey Killblane discussed the upcoming board meeting dates. The board discussed the November 12 <sup>th</sup> and 13 <sup>th</sup> board retreat in Ardmore, and indicated a preference to begin early on November 12 <sup>th</sup> and end by noon on November 13 <sup>th</sup> .	
5.a. Director's Report – Introduction of Lance Thomas, TSET Communications Coordinator	Tracey Strader introduced Lance Thomas, Communications Coordinator working with Sjonna Paulson. Mr. Thomas will provide direct consultation and technical assistance to grantees' communications efforts.	
5.b. Director's Report - Oklahoma Health Improvement Plan Involvement	Tracey Strader discussed her involvement in the Oklahoma Health Improvement Plan process. The OHIP process is the result of a legislative mandate to the Oklahoma State Department of Health. Three flagship workgroups include tobacco use, obesity, and child health. Tracey is serving as co-chair of the tobacco use workgroup with Doug Matheny.	
5.c. Chair's Report – Recent Training Events and Upcoming Training Opportunities	Tracey Strader called attention to a list of upcoming and recommended training opportunities in 2009.	

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5.d. Director’s Report – Communications Updates	Sjonna Paulson provided communications updates including editorial board meeting with the Oklahoman and the Tulsa World, sponsorships, newspaper articles and the StopsWithMe.com website.	
6.a. Presentation – Adult Stem Cell Research in Oklahoma and its Relevance to Cancer and Cardiovascular Disease	<p>Dr. Courtney Houchen presented information on the work being conducted at the OU Cancer Institute related to adult stem cells in the treatment of cancerous tumors, such as those found in colorectal and pancreatic cancers. Stem cells are numerically rare. All cancer cells are potential stem cells that have the ability to proliferate indefinitely. Targeting cancer stem cells with chemotherapy is promising.</p> <p>Dr. Steven Prescott presented information on adult stem cell research being conducted at the Oklahoma Medical Research Foundation related to adult stem cells in regenerative medicine. Adult stem cells are found even in tiny babies. Stem cells are cells that self-renew. No one is currently doing embryonic stem cell research in Oklahoma. Adult stem cells can hold great promise in repairing damaged tissue. There is no rejection because the cells come from you. It will be possible to re-grow heart muscle or brain damage after heart attack or stroke. OMRF is building a new building, a center focused solely on adult stem cell research.</p>	
7. Discussion and Possible Action on Funding for Adult Stem Cell Research Planning and Implementation	<p>Casey Killblane led the board members and guests in a discussion of the possibility of funding adult stem cell research in Oklahoma. The board discussed the experience in funding the Oklahoma Tobacco Research Center (OTRC), as a five year commitment of \$1 million per year for five years as seed funding to help bring in federal funding and advance Oklahoma’s work in tobacco control. Board members expressed their belief that the OTRC was working well, and that this might be a good model to follow if the board were to invest in adult stem cell research. Board members also discussed their commitment to the primary mission of preventing and reducing tobacco use, while at the same time acknowledging that there is broader language in the constitution to allow for funding of a variety of health and public health initiatives, including research in cancer and other tobacco-related diseases. Board members also discussed the strategic plan goals of expanding tobacco control efforts, addressing fitness and nutrition efforts, and funding emerging opportunities. Board members agreed that adult stem cell research could be a significant emerging opportunity.</p>	<p>Motion made to commit \$500,000 for a planning year beginning FY 2010 and \$1 million per year for five years afterward to facilitate adult stem cell research made by Dr. Foster and seconded by Dr. McCaffree. Motion passed unanimously. Bill Lissau was not present for the vote.</p> <p>TSET staff will convene a stakeholders meeting in the near future.</p> <p><i>(see also item 11. New Business discussion – pages 7 and 8)</i></p>

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	<p>Dr. Prescott and Dr. Houchen provided specific examples of how the funding could make a critical difference in advancing Oklahoma as a serious competitor for federal funding and attracting tremendous talent to the state. TSET funding could serve as matching funds for federal grants and assist in recruitment packages for senior scientists.</p> <p>Dr. Foster expressed his concern over limiting the funding to “adult” stem cell research. Dr. Prescott reminded the board that there is no embryonic stem cell research being conducted in Oklahoma at the present time.</p> <p>Further discussion centered around the impact of funding adult stem cell research on the board’s ability to achieve its other goals. Drs. Foster and McCaffree pointed out that the single greatest economic impact that we have is in tobacco control prevention, because tobacco costs the state over \$2 billion dollars every year. Every pack of cigarettes sold costs Oklahomans about \$8 dollars. Casey Killblane stated that the board’s commitment to tobacco control was reflected in the program budget as the majority of funding to date has been allocated for this purpose. Tracey Strader explained that although funding for adult stem cell research would slow the board’s ability to achieve its other goals somewhat, the anticipated growth in the endowment’s earnings should be sufficient to accommodate this new initiative. Current funding for tobacco control is at approximately half of the CDC’s newly recommended level for Oklahoma, and fitness and nutrition initiatives will likely demand a similar “ramping up” approach, bringing on one or a few new grants programs each year. Discussion concluded with an exploration of how the board would measure outcomes and assure accountability, and members identified the need to convene a panel of stakeholders including potential applicants and other funders in Oklahoma to further explore the best approach to funding adult stem cell research.</p>	
<p>3. Board of Investors Report</p>	<p>Travis Monroe reported that the projections of certified earnings were estimated to be approximately \$1.8 million more than last year; bringing the total estimate to approximately \$17.3 million. Expenses were also down by about \$200,000 as a result of the lower portfolio balances this year. Mr. Monroe also presented the budget of \$98,000 for the Treasurer’s Office contract to administer the investment management of the fund.</p>	<p>Motion to approve the Board of Investors contract for FY 10 made by Dr. McCaffree and seconded by Dr. Foster. Motion passed unanimously. Bill Lissau was not present for the vote.</p>

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8.a. FY 2010 Health Communications Plans	<p>Susan Bizé discussed the health communications budget and the various projects funded by the budget:</p> <ul style="list-style-type: none"> <li>• Phase III of the Tobacco Stops With Me campaign</li> <li>• Helpline promotion</li> <li>• Become An Ex campaign in partnership with the American Legacy Foundation</li> <li>• A new campaign to target the 18-24 year old population</li> <li>• Developing and updating the program websites</li> <li>• Specific projects related to grantee communication needs</li> <li>• A minor campaign to help the public understand what TSET is, what we do and how to find our programs.</li> </ul>	
8.b. Updated Oklahoma State Plan for Tobacco Use Prevention and Cessation	<p>Doug Matheny reported that the Tobacco Use and Prevention Cessation Advisory Committee approved the State Plan to include a new State &amp; Local Policy Needs section. The section included a goal of protecting funding for tobacco control programs and rejecting any proposal to limit the current constitutional authority of the TSET Board of Directors. He distributed copies of the plan.</p>	
9.a. Presentations - First Year Evaluation Results of the Tobacco Stops With Me Campaign and Cost Effectiveness of the Oklahoma Tobacco Helpline	<p>Dr. Laura Beebe gave a presentation on the first year evaluation results of the Tobacco Stops With Me campaign and the cost effectiveness of the Oklahoma Tobacco Helpline. The Tobacco Stops With Me longitudinal study (a three year study) revealed that after one year of the campaign, there has been a steady increase in aided and unaided awareness of the campaign at rates that compare favorably with well-known campaigns. Among non-smokers there was a statistically significant difference reflecting that those who were exposed to the campaign were less than half as likely to begin using tobacco products compared with those who were not exposed to the campaign. There was also a statistically significant difference reflecting changes in their attitudes about curbing tobacco industry influence in their communities and increased knowledge about the harms of secondhand smoke. However, among daily tobacco users increased exposure to the campaign was associated with a reduced likelihood of quitting or making a quit attempt in the past year, and this was also statistically significant. Dr. Beebe indicated that this was not a completely unexpected finding because the campaign was in its first year, it was not specifically targeted to tobacco users, and the more supportive</p>	<p>Dr. Beebe will further analyze the data related to current tobacco users to identify any characteristics that might provide additional insights as Phase III of the campaign is developed.</p>

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	<p>Helpline promotion ads are not tagged or otherwise linked to the Tobacco Stops With Me campaign.</p> <p>A cost effectiveness study of the Oklahoma Tobacco Helpline covering the period FY 2006 and FY 2007 found that very high levels of cost effectiveness for the Helpline were demonstrated. Specifically the study found that: 1) The Helpline attained quit rates ranging from 14.8% for single call participants to 42% for participants receiving multiple calls plus NRT and attained a significant number of incremental quits at costs ranging between \$635.90 and \$865.74 (2007 constant dollars) per incremental quit; 2) The Helpline gained between 29,169 and 39,709 years of life during the two-year period studied at a cost between \$133.00 and \$181.06 (2007 constant dollars) per life year; 3) The Helpline attained savings in personal health expenditures ranging from \$1.976 million to \$3.497 million (2007 constant dollars) during the two years studied; 4) Measuring productivity losses in terms of days of work missed, the Helpline saved a large number of work days ranging between 40,775 and 59,391 work days in the two years studied. Estimated in monetary terms, the Helpline reduced productivity losses by amounts ranging from \$7.6 million to \$10.3 million (constant 2007 dollars) during the two year period studied. Given these findings, the study concluded that the Helpline provides a good value for the dollars spent. The Helpline should be enhanced and supported in its activities to reduce smoking prevalence and to increase the number of tobacco users who successfully quit in Oklahoma.</p>	
<p>9.b. Presentation – Use of Collision Marketing to Promote the Oklahoma Tobacco Helpline</p>	<p>Drew Schroeder, a disk jockey from KISS FM was scheduled to present but had to leave the meeting before his presentation. Sjonna Paulson explained that Drew had quit smoking, on air, while using the Helpline program. During his quit process, Drew told listeners about his experience, and maintained a video blog. In addition he recruited nearly 1,000 listeners to receive smoking cessation text messages to help them quit.</p>	
<p>9.c. Consideration and Possible Action to Increase the FY 2009 Contract Amount with Free &amp; Clear, Inc. for Oklahoma Tobacco Helpline Services</p>	<p>Dr. Foster said the committee recommended increasing the Free &amp; Clear, Inc. contract amount for FY 2009 due to the Federal Tax increase which doubled the amount of callers. This would not require a contract amendment, but would need to be approved in the FY 2009 budget revision during the Agency Operations Committee report.</p>	<p><i>(see item 10.b. Agency Operations Committee Report and Action – page 8)</i></p>

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9.d. FY 2010 Program Approaches and Funding Allocations	Dr. Foster discussed the funding level recommendations from the committee for FY 2010 for most programs.	
9.e.i. Renewal of Program Grants and Contracts for FY 2010 – Oklahoma State Department of Health – providing funding to TSET to Expand the Reach of the Oklahoma Tobacco Helpline	Dr. Foster said the OSDH contract would provide funding to TSET to expand the reach of the Oklahoma Tobacco Helpline	Committee recommendation to renew contract with the Oklahoma State Department of Health for FY 2010 to provide funding to TSET for the Oklahoma Tobacco Helpline Services at \$1,150,000. Motion passed unanimously. Bill Lissau was not present for the vote.
9.e.ii. Renewal of Program Grants and Contracts for FY 2010 – Free & Clear, Inc. – for Helpline Services through November 2009	Dr. Foster said the Free & Clear, Inc. which provides the Helpline services, contract would end November 2009. A Request for Proposals for Helpline services beyond November 2009 is being prepared and is scheduled to be released in June 2009.	Committee recommendation to renew the contract with Free & Clear, Inc. through November 30, 2009 at \$2 million. Motion passed unanimously. Bill Lissau was not present for the vote.
9.e.iii. Renewal of Program Grants and Contracts for FY 2010 – Specific Populations Grants	Dr. Foster said the committee was requesting a renewal vote for the Communication Services for the Deaf, Inc. (CSD) and the Oklahoma State University Seretean Wellness Center “Specific Populations” grants.	Committee recommendation to renew the CSD and OSU Specific Populations grants for FY 2010. Motion passed unanimously. Bill Lissau was not present for the vote.
9.e.iv. Renewal of Program Grants and Contracts for FY 2010 – Cessation Systems Grants	Dr. Foster stated that the committee was requesting a renewal for the first full year implementation for the Oklahoma Hospital Association, Oklahoma Department of Mental Health and Substance Abuse Services and the Oklahoma Insurance Department “Cessation Systems” grants.	Committee recommendation to renew the Cessation Systems grants for FY 2010. Motion passed unanimously. Bill Lissau was not present for the vote.
9.e.v. Renewal of Program Grants and Contracts for FY 2010 – Tulsa Healthy Lifestyles Grant – for Fitness, Nutrition, and Tobacco Prevention	Dr. Foster said the committee was requesting renewal for the first full year implementation for the Tulsa Healthy Lifestyles grant for fitness, nutrition and tobacco prevention.	Committee recommendation to renew the Tulsa Healthy Lifestyles grant for FY 2010. Motion passed unanimously. Bill Lissau was not present for the vote.

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9.e.vi. Renewal of Program Grants and Contracts for FY 2010 – Visual Image, Inc. – for Health Communications Services	Dr. Foster said the committee was requesting approval for the Visual Image, Inc. contract to provide Health Communications services for the agency in FY 2010.	Committee recommendation to renew the Visual Image, Inc. contract for FY 2010. Motion passed unanimously. Bill Lissau was not present for the vote.
9.e.vii. Renewal of Program Grants and Contracts for FY 2010 – American Legacy Foundation – for Membership in the National Alliance for Tobacco Cessation	Dr. Foster stated that the committee was requesting renewal for the American Legacy Foundation contract for membership in the National Alliance for Tobacco Cessation.	Committee recommendation to renew the American Legacy Foundation contract for FY 2010. Motion passed unanimously. Bill Lissau was not present for the vote.
9.e.viii. Renewal of Program Grants and Contracts for FY 2010 – Finley & Cook, LLC – for Grantee Auditing Services	Dr. Foster said the committee was requesting renewal for the Finley and Cook, LLC contract for auditing services.	Committee recommendation to renew the Finley and Cook, LLC for FY 2010. Motion passed unanimously. Bill Lissau was not present for the vote.
9.e.ix. Renewal of Program Grants and Contracts for FY 2010 – Ok.gov – for Health Communications Support	Dr. Foster stated that the committee was requesting renewal for the Ok.gov contract for health communications support to develop and maintain the agency and program web sites and reporting systems.	Committee recommendation to renew the Ok.gov contract for FY 2010. Motion passed unanimously. Bill Lissau was not present for the vote.
9.e.x. Renewal of Program Grants and Contracts for FY 2010 – OSDH – for Tobacco Control State Program Office Services – Increase for Deaf Interpretation Services	Dr. Foster said the committee was requesting an increase for the Oklahoma State Department of Health contract for the Tobacco Control State Program Office services due to the increased need for deaf interpretation services.	Committee recommendation to increase FY 2010 contract with the OSDH for State Program Office Services by \$10,000 for deaf interpretation services. Motion passed unanimously. Bill Lissau was not present for the vote.
11. New Business	Casey Killblane called for new business. Casey explained the need to clarify the vote on funding of adult stem cell research. She indicated that there appeared to be some confusion among the board members about the wording and intent of the original motion. Dr. Foster’s motion was actually stated as “stem cell research” rather than “adult stem cell research” as indicated on the agenda. Board members stated that they understood the	<i>(See item 7 - pages 2 and 3)</i>

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	vote to be about “adult stem cell research” and that “adult stem cell research” was their intent when the vote was taken.	
10.a. FY 2009, Third Quarter Expenditures, Budget to Actual, Operating & Programs Budgets	Ken Rowe reviewed the FY 2009 Third Quarter expenditures.	
10.b. Consideration and Possible Action on FY 2009 Programs Budget Revision	Ken Rowe discussed the FY 2009 Program budget revisions. It was discussed that the \$300,000 increase in the Free & Clear contract amount was previously addressed in the Program Implementation Committee report and was included in this revision.	Committee recommendation to approve the FY 2009 Programs Budget Revision. Motion passed unanimously. Bill Lissau was not present for the vote.
10.c. Consideration and Possible Action on FY 2010 Preliminary Operating & Programs Budgets	Ken Rowe discussed the FY 2010 preliminary Operating and Programs budgets.	Committee recommendation to approve preliminary Operating budget for FY 2010. Motion passed unanimously. Committee recommendation to approve preliminary Programs budget for FY 2010 Motion passed unanimously. Bill Lissau was not present for the votes.
12. Public Comment	Casey Killblane called for public comment. There was no public comment.	
13. Adjournment		Motion to adjourn made by Dr. Foster and seconded by Ken Rowe. Motion passed unanimously. Bill Lissau was not present for the vote.