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10 years · growth & accomplishments

OKLAHOMA TOBACCO SETTLEMENT ENDOWMENT TRUST

FY2010 ANNUAL REPORT

TSET
BETTER LIVES THROUGH BETTER HEALTH

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investing in oklahoma's health

A SOLID FOUNDATION BUILT, LET'S CONTINUE THE PROGRESS...

Oklahomans are dying at alarmingly high numbers much younger than they should from preventable cancers and cardiovascular diseases, primarily related to tobacco use, physical inactivity and poor nutrition. Oklahoma is slated to be among the most obese states in the nation in a few short years. Oklahoma's ranking as the 46th least healthy state should serve as a wake-up call to all of us that now is the time to be more innovative than ever in our approach to give Oklahoma communities and their citizens the tools they need to turn this ranking on its head.

And at TSET that's exactly what we've been doing since voters told us ten years ago they wanted meaningful investments from revenue generated from the Master Settlement Agreement that would change the health of our state for the better. With the strong vision established by the TSET Board of Directors, we are collaborating with key stakeholders to change behaviors and environments in communities across this state that will create better lives through better health. We've begun to expand our investments in research, planned strategically with Oklahomans from across the state. Soon we will expand our scope to include grants and programs to improve nutrition and fitness and reduce obesity—paving the way for Oklahomans to create a healthier and more prosperous future for themselves and our great state.

Fiscal year 2010 saw innovation and collaboration flourish among TSET and our partners. In particular, we deepened our investment in research in cancer and tobacco-related diseases through the creation of the Oklahoma Center for Adult Stem Cell Research, which is collaboratively governed by the Oklahoma Medical Research Foundation, University of Oklahoma, and Oklahoma State University; and continued our support for the Oklahoma Tobacco Research Center at the OU Cancer Institute. We partnered with the Oklahoma Health Care Authority to reduce the number of smokers among pregnant women on Medicaid and provided a grant to the Department of Mental Health and Substance Abuse Services to work in partnership with the ABLE Commission to reduce youth access to tobacco products at retail outlets.

Looking to the future, TSET has strategically placed itself on a path to be a real champion of change by advancing the most critical health indicators of our state. Partnering with communities throughout Oklahoma — who are the heart and soul of this state — places us among the leaders involved in changing environments that will foster healthy homes, schools, businesses and neighborhoods for years to come. With a strong foundation built and an aggressive plan moving forward, TSET can help to build bridges among those who are working to make Oklahoma a healthier place to live, work and raise a family. We are ready and willing to strengthen our existing partnerships and create new alliances to create a healthier future for every Oklahoman.

Casey Killblane, Chair, Board of Directors

Tracey Strader, MSW, Executive Director

what guides us

VISION

Improving the Health of Every Oklahoman

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.

VALUES & 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.
- 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.
- 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.
- To plan and encourage community-based comprehensive services for all areas of Oklahoma, including urban and rural communities.
- To encourage grantees to match grant monies awarded with monetary commitments and in-kind matches.
- To require measurable outcomes, appropriate evaluation, and annual evaluation reporting of all funded programs.

overview

Oklahoma is the only state in the nation to constitutionally protect the majority of the Master Settlement Agreement funds in an endowment which ensures a growing funding source dedicated to improving the health of Oklahomans for generations to come.

The Endowment is a long-term strategy to improve Oklahoma's health status. Earnings have gradually increased each year from a low of $650,000 in to a high of $18 million in FY2010.

Earnings from the trust fund may be expended for the following purposes:

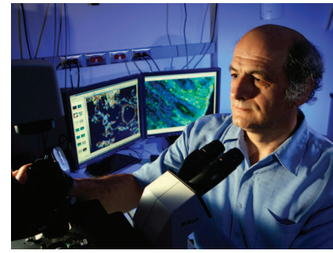
- Clinical and basic research and treatment efforts in Oklahoma for the purpose of enhancing efforts to prevent and combat cancer and other tobacco-related diseases;
- Cost-effective tobacco prevention and cessation programs;
- Programs designed to maintain or improve the health of Oklahomans or to enhance 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 and pre-school programs, substance abuse prevention and treatment programs and other programs and services designed to improve the health and quality of life of children;
- Programs designed to enhance the health and well-being of senior adults.

The TSET Board of Directors engages in regular strategic-planning processes involving a review of research and input from key stakeholders including elected officials, private funders, state agency leadership, voluntary organizations, and health advocates from across the state. Stakeholders have overwhelmingly agreed that the board is on track with its mission to improve the health of every Oklahoman by reducing Oklahoma's leading causes of death.

- Oklahoma ranks last among states in cardiovascular disease deaths.
- Cancer is the second leading cause of death, affecting one out of three Oklahomans.
- Tobacco use, physical inactivity, and poor nutrition are the leading preventable causes of cardiovascular disease and cancer.
- These preventable causes of death cost the state billions of dollars each year.

TSET-funded programs are based on strong evidence of effectiveness and rigorously evaluated. In the early years of the endowment, program funding was focused solely on supporting the Oklahoma State Plan for Tobacco Use Prevention and Cessation. The current strategic plan maintains a primary focus on reducing tobacco use while initiating programs to help fulfill the *Oklahoma Physical Activity & Nutrition State Plan.* In each case a statewide, comprehensive program is required to stem the tide of preventable disease, disability, and death. In addition, the board has funded research in tobacco control and adult stem cell research in an effort to advance the prevention and treatment of cancer and other tobacco-related diseases.

Unsolicited proposals are also accepted to respond to emerging opportunities to improve health in our state.



Florea Lupu, PhD, Oklahoma Medical Research Foundation received an equipment grant from the Oklahoma Center for Adult Stem Cell to enable investigators to see how molecules interact on the surface of stem cells.

Lone Grove Students Working Against Tobacco (SWAT) team from Carter County Turning Point show "the love" to create a tobacco-free community.

our history

NOV 2000

Constitutional amendment approved by voters by a 69% to 31% margin.

Established the Oklahoma Tobacco Settlement Endowment Trust Fund (TSET) from which only the earnings may be spent on programs to improve the health of Oklahomans.

Allocated the Master Settlement Agreement (MSA) payments, directing 75% to the endowment and 25% between the Oklahoma State Legislature for appropriation and the Office of the Attorney General for the evidence fund. Allocated percentages to the endowment increased incrementally from 50% to 75% between 2001 and 2007.

75% / 25%

Established Board of Investors to oversee the fund's investments.

Established Board of Directors to strategically fund programs to improve the state's health.

FY2001

Board of Directors appointed. Board elected the first chair, D. Robert McCaffree, MD, and vice-chair, Marvin Apple.

Board of Investors appointed. The Constitution requires the State Treasurer to serve as chair. The first chair was State Treasurer Robert Butkin. David Rainbolt was elected as the first vice-chair.

An initial $50 million in MSA funds were directed to TSET's principal by the Oklahoma State Legislature.

First deposits made into the TSET endowment trust from settlement funds received by the State of Oklahoma from the MSA payments.

Smoking prevalence in Oklahoma 28.7% compared to 22.9% for U.S.

FY2002

MISSION

The Board of Directors held it's first meetings and adopted a 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."

Strategic plan to guide funding activities to fulfill the mission was adopted.

Board of Investors certified $651,659 in earnings from FY01 investments.

$651,659

FY2003

Board of Directors hired the agency's first executive director, Tracey Strader.

A governance model, short and long-term funding priorities and grant making guidelines were established.

The State Legislature amended the Smoking in Public Places and Indoor Workplaces Act.

FY2004

First program, the Oklahoma Tobacco Helpline, 1-800-QUIT NOW, launched. The Helpline is a free, telephone-based, statewide tobacco use cessation service.

Oklahoma Health Care Authority began providing coverage of all smoking cessation medications for Medicaid beneficiaries.

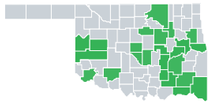
Initial public education efforts began to inform youth and young adults about the tobacco industry's marketing practices, and to promote smoking cessation.

Program evaluation initiated through a contract with the OU College of Public Health.

Oklahoma voters approved a tobacco excise tax increase. The State Legislature strengthened the Prevention of Youth Access to Tobacco Act.

FY2005

Communities of Excellence in Tobacco Control 5-year grant program launched with 20 coalitions funded across the state.



Oklahoma State Department of Health provides training and technical assistance to all TSET-funded tobacco control grantees.

Oklahoma Tobacco Helpline began offering nicotine patches or gum to program participants. More than 12,800 Oklahomans contacted the Helpline for services.

Smoking prevalence in Oklahoma 25.1% compared to 20.5% for U.S.

FY2006

Public education campaign began to focus on the health risks associated with smoking and secondhand smoke utilizing television and radio ads created by other states.

Employees Benefits Council (EBC) began offering insurance coverage of smoking cessation prescription products for all state HMO members.

FY2007

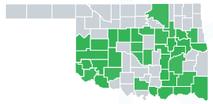
Addressing Tobacco in Specific Populations 5-year grants were awarded.

Oklahoma State and Education Employees Group Insurance Board (OSEEGIB) began offering insurance coverage for smoking cessation prescription products for all HealthChoice members.

Board of Investors certified $6,843,383 in earnings from FY2006 investments.

$6,843,383

FY2008



Communities of Excellence in Tobacco Control 5-year grant program expanded with awards to seven new grantees.

OTRC

Oklahoma Tobacco Research Center (OTRC) with the OU Cancer Institute received $5 million in grant funding over a 5-year period.

First public education campaign developed by and for Oklahomans – Tobacco Stops With Me – was launched.

TSET joined the National Alliance for Tobacco Cessation, a multi-state public-private initiative to fund the *Become An Ex* campaign and online smoking cessation program.

Oklahoma Tobacco Helpline services were expanded to meet increasing demand. More than 24,000 Oklahomans registered with the Helpline.

FY2009

Tobacco Cessations Systems grants awarded to work with insurance, hospitals, and mental health and substance abuse services.

Satisfaction rate with Oklahoma Tobacco Helpline services was at 92% with more than 37,000 tobacco users calling.

TSET funded first two grants through its new unsolicited proposals process – one in tobacco cessation systems and one in nutrition and fitness.

The Clean Air in Restaurants Act established a rebate program to incentivize restaurants to close smoking rooms and become smokefree. The bill also created the Oklahoma Certified Healthy Communities Act and Oklahoma Certified Healthy Schools Act.

Oklahoma Tobacco Research Center with the OU Cancer Institute funded first three research projects.

FY2010

A plan to expand program funding to improve nutrition and fitness developed.

ocascr

Oklahoma Center for Adult Stem Cell Research (OCASCR) created and funded at $5.5 million over five and one-half years.

In the last decade, smoking prevalence in Oklahoma decreased from 28.7% in 2001 to 25.5% in 2009.

More than 37,500 tobacco users called the Oklahoma Tobacco Helpline in FY10.

More than 140,000 Oklahoma tobacco users across the state have been served by the Oklahoma Tobacco Helpline since it began in FY04.

Grant to Oklahoma Department of Mental Health and Substance Abuse Services funded to assist ABLE Commission in enforcement of Youth Access to Tobacco laws.

Board of Investors certified $18,022,983 in earnings from FY09 investments.

$18,022,983

key outcomes in prevention

TSET works with numerous partners and grantees to help fulfill the *Oklahoma State Plan for Tobacco Use Prevention and Cessation, Oklahoma Physical Activity and Nutrition State Plan,* and the *Oklahoma Health Improvement Plan.* The following accomplishments have been realized as a result of TSET funded programs and partnerships with the Oklahoma State Department of Health, other state agencies, businesses, communities, and tribal nations, as well as the public policies enacted by the State Legislature and Oklahoma voters.

OUTCOME MEASURES

- Adult smoking prevalence decreased from 28.7% in 2001 to 25.5% in 2009.
- Quit attempts are at an all-time high, having increased from 48.1% in 2001 to 58.8% in 2009.
- The number of cigarette packs sold has decreased from 108.1 packs per person in 2001 to 79 packs per person in 2009.
- 73.4% of Oklahoma households reported having a smokefree home policy in 2009, compared with only 54.9% in 2001.
- The number of Oklahoma high school youth identified as "committed non-smokers" has increased from 25.5% in 1999 to 40.3% in 2009.
- The number of Oklahoma middle school youth identified as "committed non-smokers" has increased from 41.4% in 1999 to 64.1% in 2009.

PUBLIC POLICIES

- In 2003, the State Legislature amended the Smoking in Public Places and Indoor Workplaces Act which made most workplaces smokefree. Significant exemptions in the Act included free standing bars.
- In 2004, Oklahoma voters approved a tobacco excise tax increase, one of the single-most effective means of reducing youth smoking. The State Legislature strengthened the Prevention of Youth Access to Tobacco Act.
- In 2009, the Clean Air in Restaurants Act established a rebate program to incentivize restaurants to close smoking rooms and become smokefree. The same bill also created the Oklahoma Certified Healthy Communities Act and Oklahoma Certified Healthy Schools Act establishing advisory committees to develop criteria by which communities and schools may be certified.

COMMUNITY BASED PROGRAMS

- 70% of Oklahomans live in a community covered by a TSET Communities of Excellence in Tobacco Control grant. 24 coalitions have been funded to implement programs in 38 counties and 2 tribal nations.
- 181 Students Working Against Tobacco teams are actively working with their peers and within their communities to promote tobacco free policies, expose tobacco industry marketing practices, and prevent youth from using tobacco products.
- 24/7 Tobacco-Free Property Policies:
  - More than 200 public school districts. Two-thirds of Oklahoma's public school students attend a tobacco-free school.
  - 17 universities and 5 career-techs.
  - All Oklahoma State University campuses. OSU was the first Big 12 school to go tobacco-free.
  - Dozens of Oklahoma businesses. Dollar Thrifty's tobacco-free policy was extended nationwide.
  - 27 Oklahoma City and Tulsa area hospitals and 23 rural hospitals.
  - 11 communities have passed ordinances making their parks tobacco-free.
  - 4 athletic associations.
  - 3 housing authorities in northeast Oklahoma.
  - 6 state agencies.
  - 3 tribal nations adopted the policy for government-owned property, excluding casinos.
  - Many organizations adopting tobacco-free property policies also offer smoking cessation services.

SWAT youth from Western Oklahoma Coalition on Community Strengthening

Cleveland County Turning Point promotes Tobacco Stops With Me at the Moore War 5k run.

research we fund

TSET is dedicated to investment in cutting-edge research by Oklahoma scientists in the biomedical and behavioral sciences, to advance health, leverage outside research dollars and expand the number of highly skilled jobs in the state.

TSET has dedicated $10.5 million to establish two new research centers in Oklahoma — the Oklahoma Tobacco Research Center at the OU Cancer Institute and the Oklahoma Center for Adult Stem Cell Research.

OTRC

In FY2008, the Oklahoma Tobacco Research Center (OTRC), a program of the OU Cancer Institute, was funded at $5 million over five years. OTRC provides research to identify, evaluate, and disseminate best practices in tobacco control; translating research to practice in Oklahoma. In FY2010, the OTRC awarded seed grants to the following:

- Marshall Cheney, MA, Oklahoma City-County Health Department, Initiation of Smoking in African American Young Adults.
- Jennifer David Peck, PhD, University of Oklahoma Health Sciences Center, Tobacco Exposure During Pregnancy as a Determinant of Gestational Diabetes.
- Norman Wong, PhD, University of Oklahoma, Investigation of Strategies to Reduce Smoking Among College Students Targeting Both College Smokers and Nonsmokers.
- Jinying Zhao, MD, PhD, University of Oklahoma Health Sciences Center, Pilot Study to Determine Whether and How Cigarette Smoking Modulates the Association between Gene Polymorphisms and Preclinical Atherosclerosis in American Indians.

ocascr

In FY2010, the Oklahoma Center for Adult Stem Cell Research (OCASCR) was funded at $1 million per year for five and one-half years. OCASCR is collaboratively governed by the Oklahoma Medical Research Foundation, University of Oklahoma, and Oklahoma State University. The OCASCR awarded grants to the following:

- Binil Starly, PhD, University of Oklahoma. Travel grant to support education to understand how adult stem cells can be cultured, grown and differentiated for growth and function on tissue scaffolds.
- Carol Webb, PhD, Oklahoma Medical Research Foundation (two grants). Travel grant to partially support attendance at the International Society for Stem Cell Research Meeting (this will encourage networking and collaboration). Research to improve a method of generating better stem cells which may increase the pace of research and accelerate development of therapies.
- Courtney Houchen, MD, University of Oklahoma Health Sciences Center (three grants). Equipment grant to study adult stem cells as they respond to various testing. Equipment grant to test how adult stem cells respond to different drugs and testing compounds. Research to study the potential of pancreatic stem cells being converted to insulin producing cells and to replace damaged pancreatic tissues.
- Florea Lupu, PhD, Oklahoma Medical Research Foundation. Equipment grant to allow investigators to see how molecules interact on the surface of stem cells.
- Leonidas Tsiokas, PhD , University of Oklahoma Health Sciences Center. Research to study how stem cells can be used to combat osteoporosis and other bone loss diseases.
- Lijun Xia, MD, PhD, Oklahoma Medical Research Foundation. Research to improve appropriate stem cell movement to replace damaged brain tissues.
- Lin Liu, PhD, Oklahoma State University Department of Physiological Sciences (two grants). Research to test if stem cells can be used to cure chronic obstructive pulmonary disease (COPD). Equipment grant to allow investigators to monitor animals' response to stem cell therapy. Enhances previous OCASCR grant.
- Linda Thompson, PhD, Oklahoma Medical Research Foundation. Equipment grant to increase the ability of researchers to identify and study stem cells.
- Muna Nash, PhD, University of Oklahoma Health Sciences Center. Research to study the role of eye stem cells to improve the structure and function of the retina.
- Myron Hinsdale, PhD, Oklahoma State University Department of Physiological Sciences. Research to determine if stem cells can heal lung disease.
- Pamela Lloyd, PhD, Oklahoma State University Department of Physiological Sciences. Research to test if stem cells can be used to repair damaged lung capillaries which could have implications for treatment of emphysema.
- Xiao-Hong Sun, MD, PhD, Oklahoma Medical Research Foundation. Research to study the role of mesenchymal stem cells in replenishing blood cells.

Muna Nash, PhD, University of Oklahoma Health Sciences Center, area of interest is the retina and how stem cells might improve vision.

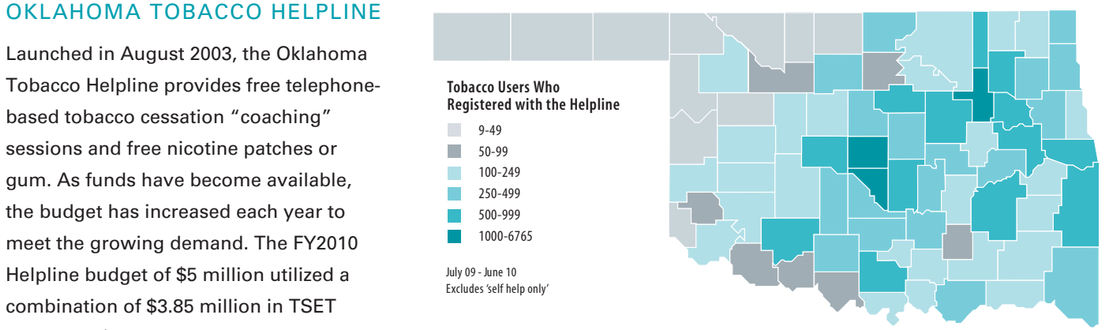
Pamela Lloyd, PhD, Oklahoma State University Department of Physiological Sciences conducts research to see if stem cells can be used to repair damaged lung capillaries which could have implications for treatment of emphysema.

"People do not make behavior choices in isolation, but rather in a larger, complex context that includes the family, community, and culture; the economy and physical environment; formal and informal government policy; and the prevailing legal atmosphere. Programs to reduce tobacco use will be most effective if they address all the components that may influence the individual's behavior choices." - 2000 Surgeon General's Report, Reducing Tobacco Use

programs we fund

OKLAHOMA TOBACCO HELPLINE

Launched in August 2003, the Oklahoma Tobacco Helpline provides free telephone-based tobacco cessation "coaching" sessions and free nicotine patches or gum. As funds have become available, the budget has increased each year to meet the growing demand. The FY2010 Helpline budget of $5 million utilized a combination of $3.85 million in TSET funds and $1.15 million in funds from the Oklahoma State Department of Health and Centers for Disease Control and Prevention.

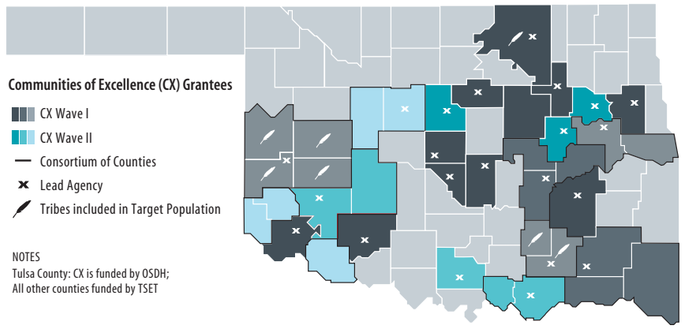


Oklahoma Tobacco Helpline
1 800 QUIT NOW
Free help 784-8669

In FY2010, more than 34,000 Oklahoma tobacco users from across the state registered for services. Follow-up evaluations with multiple-call participants at seven months indicated that nearly 35% were abstinent from tobacco. This rate far exceeds the quit rate of 5% for those who go "cold turkey." Satisfaction with Helpline services remains high across all tobacco users who received either the single or multiple call interventions at 92%.

John Hazlitt of Tulsa used the Oklahoma Tobacco Helpline (1-800-QUIT NOW) to successfully quit smoking. He made this decision because of a conversation with his teenage daughter that ended with the promise that if he quit, she would never start.

Central Oklahoma Turning Point Coalition promoting the Oklahoma Tobacco Helpline program services which include personalized Quit Coach and free nicotine patches or gum.



COMMUNITIES OF EXCELLENCE IN TOBACCO CONTROL

Twenty-four community coalitions have been funded to implement comprehensive programs in 38 counties and two tribal nations, or about 70% of the state's population. Community grantees work with schools, businesses, health care providers, community leaders, and other partners to promote effective policies and programs to reduce tobacco use at the local level. The FY2010 budget was $4.7 million.

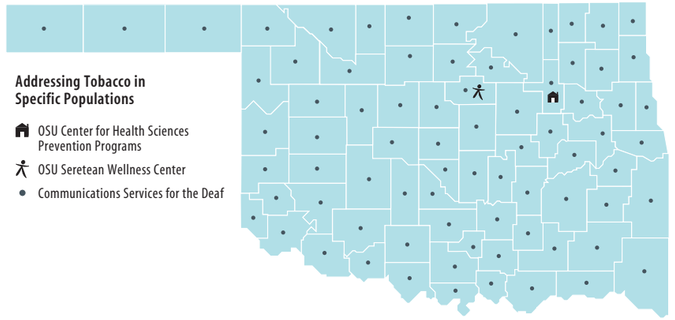
In addition to the tremendous work adult volunteers do in communities across the state, Students Working Against Tobacco (SWAT) youth teams are vital advocates for youth access ordinances and tobacco-free 24/7 school policies as well as exposing big tobacco's marketing practices which attract our youth as "replacement smokers" for those who have quit or died as a result of a tobacco-caused disease.

SWAT team from Antlers lets community know the health danger of spit tobacco during national Through with Chew week.

The City of Tahlequah in coordination with the Cherokee County Health Services Council makes city parks tobacco-free.

ADDRESSING TOBACCO IN SPECIFIC POPULATIONS

Three grantees have been funded to serve populations at high risk for tobacco use and tobacco related disease, including college students, the deaf and hard of hearing, and Oklahomans living in low-income housing. The FY2010 budget for these grants is $300,000.



Oklahoma State University supporting a tobacco-free campus and smoke-free graduates.

Oklahoma Hospital Association promoting the benefits of tobacco cessation programs with hospitalized patients.

YOUTH ACCESS TO TOBACCO

The Oklahoma Department of Mental Health and Substance Abuse Services was recently awarded a three year grant to expand its program with the ABLE Commission in which tobacco retailers are checked for compliance with the Youth Access to Tobacco Act. This grant will prepare Oklahoma to receive federal funds from the Food and Drug Administration as the FDA begins its new role of authority over tobacco products. If the rate of compliance among Oklahoma retailers does not remain above 80% the ODMHSAS could lose federal block grant funding. The FY2010 budget is $187,000.

TOBACCO CESSATION SYSTEMS

The Oklahoma Insurance Department, Oklahoma Hospital Association, Oklahoma Department of Mental Health and Substance Abuse Services, and Oklahoma Health Care Authority have recently been awarded grants to promote insurance coverage of tobacco cessation, establish tobacco cessation systems through hospitals and health systems, integrate tobacco dependence treatment within mental health and substance abuse programs, and within health care settings serving pregnant women, respectively. The FY2010 budget for these grants is approximately $551,000.

Partners, such as the NBA Oklahoma City Thunder, promote and role model tobacco-free lifestyles in their venues to tens of thousands of Oklahomans each year.

TOBACCO CONTROL TECHNICAL ASSISTANCE AND TRAINING

To leverage federal and state resources, avoid duplication, and promote progress toward objectives, TSET has partnered with the Oklahoma State Department of Health, Tobacco Use Prevention Service, to provide coordination, training and technical assistance for tobacco control grantees. The FY2010 budget for this "State Program Office" is $467,000.

TOBACCO CONTROL EVALUATION

A rigorous external evaluation of all TSET-funded tobacco control programs is conducted by the University of Oklahoma College of Public Health, Department of Biostatistics and Epidemiology. The FY2010 budget for evaluation is $711,000.

PUBLIC EDUCATION HEALTH COMMUNICATIONS

When combined with other programs, mass-media campaigns have proven to be one of the most effective strategies to prevent tobacco use, promote quitting, and reduce exposure to secondhand smoke. The *Tobacco Stops With Me* campaign highlights the ways tobacco use and secondhand smoke impact the lives of Oklahomans and what people can do to reduce the burden of tobacco in our state. The total FY2010 budget is $4.22 million.

Additional support is provided to a national BecomeAnEx.org campaign and to promote the Oklahoma Tobacco Helpline locally. Through partnerships with the Tulsa Drillers, Oklahoma City Redhawks and Oklahoma's new NBA team, the Oklahoma City Thunder, these family-oriented venues now have tobacco-free policies which promote tobacco-free lifestyles for individuals, families, and children.

NUTRITION AND FITNESS

In FY09, the Indian Health Care Resource Center was awarded grant funding through the unsolicited proposals process to address tobacco, fitness, and nutrition. The program utilizes the Coordinated Approach to Child Health (CATCH) program, community gardens, and similar approaches in twelve schools in Tulsa County. The FY2010 budget for this grant is $339,000.

The TSET Board, staff, communities and other key stakeholders are engaged in a strategic planning process to prepare for additional funding of additional fitness and nutrition programs in FY2011.

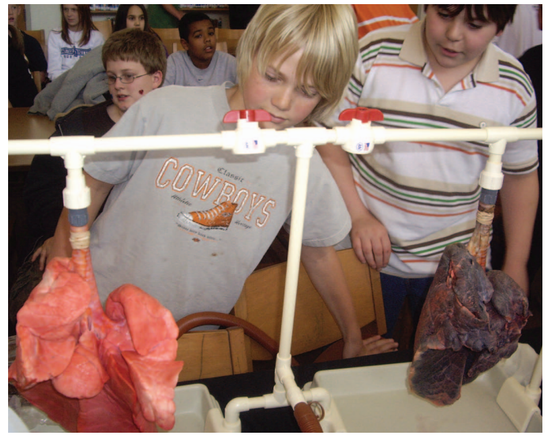
CONFERENCE SPONSORSHIPS

Conference sponsorships are available for statewide training events to educate and build capacity among Oklahomans for the purpose of improving the health of every Oklahoman. The FY2010 budget is $50,000.

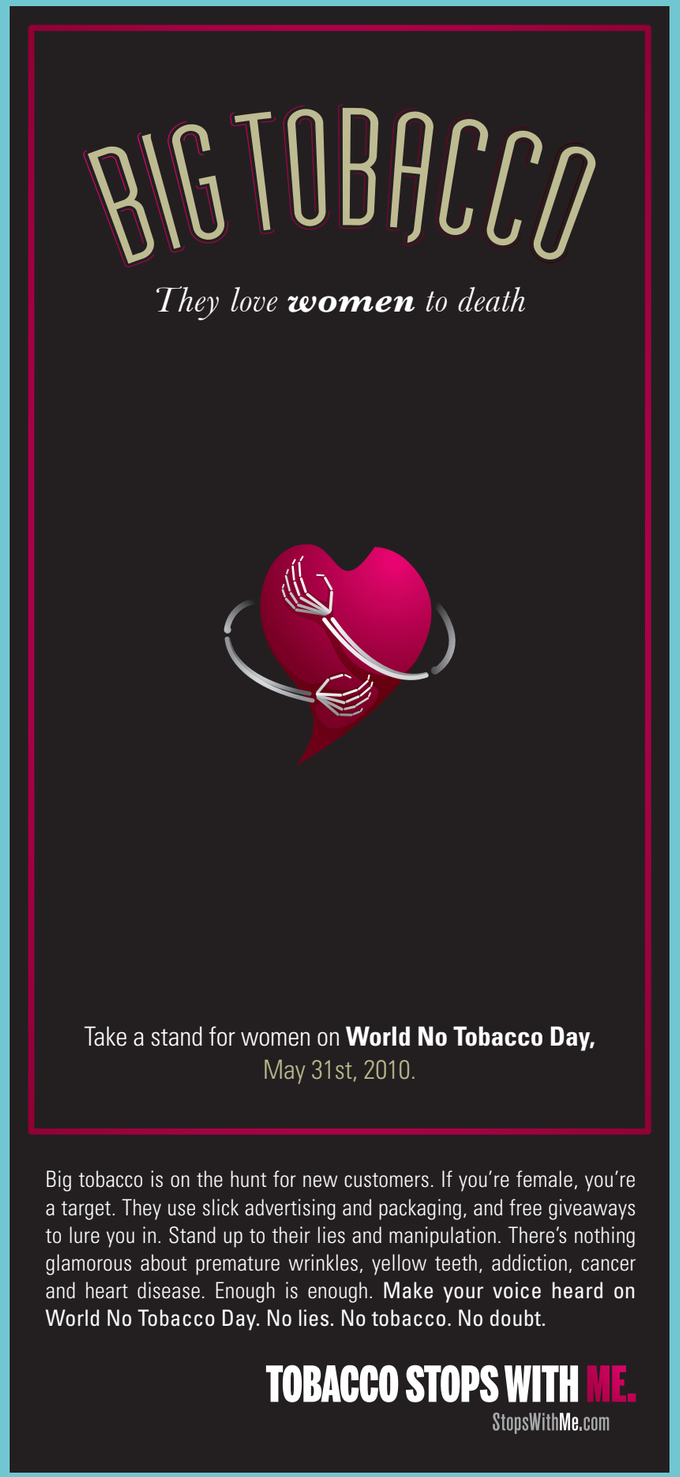
UNSOLICITED PROPOSALS

To address emerging opportunities to promote health in Oklahoma, TSET has initiated a process for accepting unsolicited proposals related to any of the purposes identified in the Constitutional amendment. Applicants must have direct third party funding for at least 50% of the proposed project. The FY2010 budget for unsolicited proposals is $500,000.

Youth observing the health effects of cigarette smoke on the lungs.



Youth participating in Wellness Adventures.



trust growth

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% in FY2002 to 75% in FY2007. From FY2007 forward, TSET's share of the MSA payments will remain at 75%.

As tobacco use declines nationally, MSA payments to all states will be reduced. If Oklahoma does not keep pace with the rest of the nation in reducing tobacco use, the state will bear the burden of high health care costs due to tobacco-caused diseases as well as the declining settlement payments.

FY10
Tobacco Industry Payments to the State of Oklahoma

$80,951,769

75%

Tobacco Settlement Endowment Trust
$60,713,827

The Endowment corpus was $529,762,612 as of June 2010.

July 2010 certified earnings were $18 million.

Only interest and dividend earnings may be spent.

25%

Office of the Attorney General
$2,564,676

Allocated to the Evidence Fund.

State Legislature's Tobacco Settlement Fund
$17,673,266

The State Legislature has appropriated 100% of its share to health and human service agencies.

FY00 - FY10 (Cumulative)
Tobacco Industry Payments to the State of Oklahoma

$825,014,913

Tobacco Settlement Endowment Trust
$501,277,203

The Endowment corpus was $529,762,612 as of June 2010.

July 2010 certified earnings were $18 million.

Only interest and dividend earnings may be spent.

Office of the Attorney General
$20,351,748

Allocated to the Evidence Fund.

State Legislature's Tobacco Settlement Fund
$303,385,962

The State Legislature has appropriated 100% of its share to health and human service agencies.

FY01 - FY10
Appropriations from the State Legislature

	FY01-03	FY04-06	FY07-09	FY10	Totals	Percent
Health Care Authority Duties of the agency	$61,077,028	$25,410,581	$36,782,239	$24,150,000	$147,419,848	57.24%
Department of Human Services Prater Willie, Child Welfare, Senior Nutrition, Oklahoma Healthcare Initiatives, duties of the agency	$44,208,504	$33,261,116	$13,084,284	$0	$90,553,904	35.16%
University Hospitals Authority Duties of the agency	$10,100,153	$0	$0	$0	$10,100,153	3.92%
Department of Health Tobacco prevention, health	$5,525,266	$0	$0	$0	$5,525,266	2.15%
Department of Mental Health and Substance Abuse Services Duties of the agency	$3,672,001	$0	$0	$0	$3,672,001	1.43%
Department of Veteran's Affairs Duties of the agency	$275,000	$0	$0	$0	$275,000	0.11%
Totals	$124,857,952	$58,671,697	$49,866,523	$24,150,000	$257,546,172	100%

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.

Casey Killblane
Appointed by the
State Superintendent
of Public Instruction
Chair

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

Susan Walters Bizé
Appointed by the State
Auditor & Inspector

John Kennedy
Appointed by the
Attorney General
(Began service
November 2009)

Don Cooper, MD
Appointed by the
Governor

W. R. "Bill" Lissau
Appointed by the State
Treasurer

George E. Foster, OD
Appointed by the Speaker
of the House

D. Robert McCaffree, MD
Appointed by the
Attorney General
(Served through
October 2009)

HONORING PAST MEMBERS

D. Robert McCaffree, MD
Appointed twice by
the Attorney General
Served from 2000-2009
Chair 2001-2003, 2005-2006
Vice Chair 2003-2005

Marvin R. Apple
Appointed by the Senate
President Pro Tempore
Served 2001-2004
Vice Chair 2001-2003

Don Cooper, MD
Appointed twice by
the Governor
Served 2001-2010
Vice Chair 2005-2007

Brian Maddy
Appointed by the
President Pro Tempore
Served 2000-2003
Vice Chair 2003

Tracy Foor
Appointed by the
State Superintendent
of Public Instruction
Served 2001-2003

Suzanne Olive, MD
Appointed by the
State Treasurer
Served 2001-2005

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.

Scott Meacham
State Treasurer
Chair

Donald Pape
Appointed by the Senate
President Pro Tempore

David Hinkle
Appointed by the State
Auditor & Inspector

R. Scott Vaughn, CPA
Appointed by the Speaker
of the House

Mike Mayhall, CPA
Appointed by the
Governor

HONORING PAST MEMBERS

Robert A. Butkin
State Treasurer
Chair 2001-2005

Steve Tinsley
Appointed by the Speaker
of the House
Served 2001-2006

David Rainbolt
Appointed by the
Speaker of the House
Served 2001-2009

Jimmy Williams, CPA
Appointed by the
Governor
Served 2001-2008

Phil Tholen
Appointed by the Senate
President Pro Tempore
Served 2001-2009

grants

FY10 FUNDING

Communities of Excellence · Wave 1

Round 2 FY10 Award · Five-Year Grants

$156,428
Atoka County Health Department (Atoka)
Coalition: Atoka/Coal Partnership for Change; serving Atoka and Coal Counties.

$167,165
Kids Connection (Tahlequah) · Coalition: Community Health Coalition of Cherokee County; serving Cherokee County.

$168,650
City of Elk City (Elk City)· Coalition: Western Oklahoma Coalition for Community Strengthening; serving Beckham, Roger Mills, Washita, and Custer Counties.

$185,895
Comanche County Memorial Hospital (Lawton) · Coalition: Southwest Tobacco Free Oklahoma Coalition; serving Comanche County.

$194,000
Community Children's Shelter & Family Service Center, Inc (Ardmore) · Coalition: Carter County Turning Point; serving Carter County.

$130,299
Gateway to Prevention and Recovery (Shawnee) · Coalition: Shawnee Asset Building Alliance, Pottawatomie Alliance Toward Community Health; serving Pottawatomie County.

$184,303
Gateway to Prevention and Recovery (Wetumka) · Coalition: Tri-County Tobacco Prevention; serving Hughes, McIntosh, and Okfuskee Counties.

$311,647
Muskogee County Health Department (Muskogee) · Coalition: Muskogee Turning Point and Sequoyah Turning Point; serving Muskogee and Sequoyah Counties.

$279,000
Norman Regional Health Systems (Norman) · Coalition: Cleveland County Turning Point; serving Cleveland County.

$309,164
Oklahoma City-County Health Department (Oklahoma City)
Coalition: Central Oklahoma Turning Point Oklahoma County Tobacco Use Prevention Coalition; serving Oklahoma County.

$184,854
Osage Nation (Pawhuska) · Coalition: Osage Nation / Osage County Community Partnership Board; Serving Osage County and Osage Tribe of Indians.

$172,800
OSU Seretean Wellness Center (Stillwater)
Coalition: Payne County Breathe Easy Coalition; serving Payne County.

$165,000
Pittsburg County Health Department (McAlester) · Coalition: SouthEast Tobacco-Free Oklahoma Coalition; serving Pittsburg County.

$220,000
Pushmataha County Health Department (Antlers) · Coalition: Project S.P.I.T. Consortium of Pushmataha County Turning Point Coalition and Choctaw County Coalition for Change; serving Pushmataha, Choctaw, and McCurtain Counties.

$152,000
Jackson County Health Department (Altus) · Coalition: Jackson County Community Health Action Team; serving Jackson County.

$282,000
Tulsa County Health Department (Tulsa)
Coalition: Tulsa Tobacco Free Coalition; serving Tulsa County

$170,000
OSU Seretean Wellness Center (Supulpa)
Coalition: Child Abuse Prevention Task Force District XI, Creek County Chapter; serving Creek County.

Communities of Excellence · Wave 2

FY08 Award · Five-Year Grants

$175,000
Bryan County Health Department (Durant)
Coalition: U Turn Consortium; serving Bryan and Marshal Counties.

$175,000
Great Plains Youth and Family Services (Hobart) · Coalition: Caddo Kiowa Consortium; serving Caddo and Kiowa Counties.

$154,000
Kingfisher County Health Department (Kingfisher) · Coalition: Blaine-Kingfisher Tobacco Education Consortium; serving Blaine and Kingfisher Counties.

$172,685
Langston University (Guthrie) · Coalition: Logan County Sooner SUCCESS Networking Group; serving Logan County.

$135,000
Southwest Oklahoma Community Action Group, Inc. (Altus) · Coalition: Red River Tobacco Education Consortium; serving Greer, Harmon and Tillman Counties.

$175,000
OSU Seretean Wellness Center (Morris)
Coalition: Okmulgee County Wellness Coalition; serving Okmulgee County.

$170,091
Wagoner County Health Department (Wagoner)
Coalition: Wagoner County Family Resource Council; serving Wagoner County.

Addressing Tobacco in Specific Populations

FY07 Award · Five-Year Grants

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

$100,000
Oklahoma State University, Center for Health Sciences Prevention Programs (Tulsa) · Serving the low socioeconomic status population in Tulsa, Creek, and Payne Counties.

$100,000
OSU Seretean Wellness Center (Stillwater) · Serving the university student population in Stillwater and its branch campuses.

Cessation Systems Initiatives

FY09 Award · Five-Year Grants

$140,000
Oklahoma Hospital Association

$125,000
Oklahoma Insurance Department

$171,298
Oklahoma Department of Mental Health and Substance Abuse Services

FY10 Award · Three-Year Grant

$115,363
Oklahoma Health Care Authority

Preventing Youth Access to Tobacco

FY10 Award · Three-Year Grant

$186,788
Department of Mental Health and Substance Abuse contracting with the ABLE Commission · Intended to provide short-term funding in anticipation of availability of federal dollars.

Unsolicited Proposal: Nutrition & Fitness

FY09 Award · Three-Year Grants

$339,021
Indian Health Care Resources Center
Serving twelve schools in Tulsa County.

Public Education Health Communications

$4,269,274
Visual Image (Oklahoma City) · TSET, in partnership with the Oklahoma State Department of Health Tobacco Use Prevention Service, coordinates public education health communications campaigns to achieve the goals of the Oklahoma Tobacco Control Program.

Oklahoma Tobacco Helpline Program

$5,401,600
Free & Clear, Inc (Seattle, WA) · 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. *The Helpline's budget is a combination of $3.850,000 in TSET funds and $1,150,000 in funds from the Oklahoma State Department of Health and Centers for Disease Control and Prevention.

National Alliance for Tobacco Cessation

$118,278
American Legacy Foundation (Washington, D.C.) · Membership in the National Alliance for Tobacco Cessation to help fund the "Become An Ex" tobacco cessation media campaign and web-based smoking cessation program.

Program Evaluation

$710,517
Board of Regents of the University of Oklahoma, Health Sciences Center (Oklahoma City) · Evaluates the effectiveness of the Oklahoma Tobacco Helpline, Community-based Tobacco Control grants, and Public Health Communication Interventions.

Program Support, Training & Technical Assistance

$467,268
Oklahoma State Department of Health (Oklahoma City) · 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.

Research

FY07 Award · Five-Year Grant

$1,000,000
Oklahoma Tobacco Research Center (OTRC) · The OTRC was established within the OU Cancer Institute, with the purpose of extending the impact of TSET's tobacco control initiatives and leveraging TSET's investments to bring additional funding dollars from the NCI, CDC, and other sources to bear on tobacco use in Oklahoma. OTRC provides research to identify, evaluate, and disseminate best practices in tobacco control; translating research to practice for tobacco control projects in Oklahoma. Serves as a statewide collaborative, providing seed grants and bringing together researchers from a variety of disciplines and from various institutions throughout the state.

FY10 Award · Five-Year Grant

$490,000
Oklahoma Center for Adult Stem Cell Research (OCASCR) · The OCASCR promotes research in the emerging field of adult stem cell research by awarding research grants to scientists in Oklahoma, recruiting scientist to the state and conducting public education. OCASCR's goal is to build Oklahoma excellence in one of the fastest growing areas of medical research and serve as a trusted resource for public information. OCASCR is collaboratively governed by the Oklahoma Medical Research Foundation, University of Oklahoma, and Oklahoma State University.

Sponsorships

$2,000
American Lung Association of the Central States Fight for Air – A Lung Health Luncheon Conference

$5,000
Biotechnology Industry Organization (BIO) International Convention – Oklahoma City Chamber of Commerce/Oklahoma Pavilion

$5,000
Oklahoma Institute of Child Advocacy Annual Fall Legislative Forum for Children and Youth

$5,000
Oklahoma Public Health Association Annual Conference

$5,000
Oklahoma Turning Point Forum and Oklahoma Fit Kids Coalition Conference

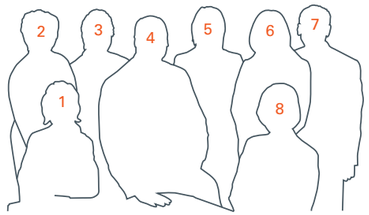
$1,400
Rural Health Association of Oklahoma Annual Conference

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, advancing cutting-edge research, and addressing emerging opportunities that will promote a healthy and prosperous Oklahoma.



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3 Tracey Strader, MSW, Executive Director
4 Lance Thomas, Health Communication Consultant
5 Carol Neal, Administrative Assistant
6 Holly Gray, Health Communications Manager
7 Jonás Mata, MSW, Director of Grants & Programs
8 Sharon Neal, Program Officer

2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010

TSET
BETTER LIVES THROUGH BETTER HEALTH

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