

Oklahoma Tobacco Settlement Endowment Trust
Board of Directors
Minutes
May 11, 2011

Board of Directors' Members Present: Kenneth D. Rowe, Casey Killblane, Susan Walters Bizé, George E. Foster, O.D., John Kennedy, W.R. Lissau, Lisa Nowlin, D.D.S.,

Staff Present: Tracey Strader, Jonás Mata, Sjonna Paulson, Amber England, Sharon Neal, Lance Thomas, Dorothy Antwine

Guests Present: Sally Carter, Robert McPherson, Frank Merrick, Travis Monroe, Jan Preslar, Greta Puckett

Agenda Item and Discussion	Action and Follow-up
<p>1. Open Meeting Act Announcement and Call to Order Ken Rowe announced that the requirements of the Open Meeting Act, including the filing of the meeting and posting of the agenda had been met. She called the meeting to order.</p>	
<p>2. Approval of Minutes of the February 23, 2011 regular Board Meeting</p>	<p>Motion to approve minutes of the February 23, 2011 regular board meeting made by Casey Killblane and seconded by Dr. Foster. Motion passed unanimously. John Kennedy was not present for the vote.</p> <p>Dorothy Antwine will make the minutes part of the permanent record.</p>
<p>3.a. Board of Investors Update Travis Monroe reported that the balance of the fund was \$650 million dollars. At this time the estimated earnings from FY 2010 investments is projected at approximately \$19 million. Realized gains through March were \$13 million, and may or may not be included in the certification pending the outcome of an Attorney General's opinion.</p>	
<p>John Kennedy arrived.</p>	
<p>3.b. Board of Investors Update – Estimate of FY 2012 Earnings Mr. Monroe discussed the contract between TSET and the Office of the State Treasurer for staff support to the Board of Investors. Mr. Monroe reported that the contract includes some of his own salary, and the salaries of the CPA's support staff, and 2% of the State Treasurer's salary. These amounts are based on the cost of each activity and the staff person involved. The Office of the State Treasurer is requesting a contract in the amount of \$121,867.00. Casey Killblane questioned the addition of the State Treasurer's salary as she believed his work with the Board of Investors should be included in his duties as an elected official.</p> <p>Mr. Monroe reported that the Treasurer has requested an Attorney General's opinion to clarify the definition of earnings and whether or not it should include realized capital gains as stated in the Constitution. The Treasurer also asked for clarification with regard to the</p>	<p>Mr. Monroe will follow-up with a revised contract amount at the September board meeting.</p>

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<p>ability of either the Board of Investors to limit the amount of earnings certified in any given year, or the Board of Directors to spend less than the amount certified in any given year, in an effort to fulfill the boards’ fiduciary responsibility to the fund..</p>	
<p>4.a. Chair’s Report – Review of Board Meeting Dates for 2011 and Discussion of Joint Meeting with the Board of Investors Ken Rowe announced that the next board meeting would September 7, 2011, and the board retreat would be November 16-17, 2011 in Oklahoma City at the Skirvin Plaza. Mr. Rowe said November 16, 2011 would include a joint board meeting with the Board of Directors and the Board of Investors at the State Capitol.</p>	
<p>4.b. Chair’s Report – Status of Ethics Commission Reports Ken Rowe reported that all appropriate board and staff members had submitted the required financial interest forms to the Ethics Commission.</p>	
<p>5.a. Director’s Report – Training Events Tracey Strader reported that the Communities of Excellence in Tobacco Control (Wave III) Strategic Planning workshop was held in March in Oklahoma City. Several of the TSET staff attended the CDC’s “Communities Putting Prevention to Work” (CPPW) conference in Atlanta, GA. Ms. Strader said that she, Sjonna Paulson and Sally Carter with the Oklahoma State Department of Health were presenters.</p>	
<p>5.b. Director’s Report – FY 2011 Conference Sponsorships Tracey Strader directed the board to the board packets for a complete list of the conferences sponsored. Ms. Strader said the Biotechnology Industry Organization International Convention in June is the most recent conference sponsorship, and nearly the entire FY11 conference sponsorship budget has been depleted. Ms. Strader said she hopes to attend the State Chamber’s annual conference in June and that several TSET and OSDH staff will be attending the 6th Biennial Childhood Obesity Conference in San Diego, as suggested by the Samuels & Associates consultants. Ms. Strader reminded the board that the National Conference on Tobacco or Health will be held in Kansas City, MO August 15-17, 2012.</p>	<p>Tracey Strader will email the board information on the State Chamber’s annual conference in June.</p>
<p>5.c. Director’s Report – TSET Brand Implementation Update Sjonna Paulson reported that the first series of TSET Brand messages were on radio and television, web ads have been placed on the Oklahoman, Tulsa World and Journal Record websites, and print ads were placed in the Journal Record, Tulsa Business Journal and the Oklahoma State Medical Association Journal. The research-focused ad will begin in May. Although staff have received positive feedback from various stakeholders and partners, it is difficult to fully evaluate such a small campaign. An online survey may be conducted or one or two questions may be added to the Tobacco Stops With Me evaluation surveys.</p>	

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<p>6.a. Program Development Committee Report – Discussion and Possible Action on Development of a Technical Assistance Center at Oklahoma State University Focused on Multi-Unit Housing and College Campuses</p> <p>Jonás Mata reported the two five-year grants to OSU in the “Addressing Tobacco in Specific Populations” initiative are coming to an end. It is a priority for the tobacco control program to provide technical assistance to college campuses and multi-unit housing complexes, primarily the 90 housing authorities statewide. Staff proposes to work with OSU and the OSDH State Program Office to prepare a proposal to fund a Training and Technical Assistance Center that builds on the capacity built by the OSU grantees over the past five years. This would require a three –month extension for the OSU grant related to college campuses to allow enough time to prepare the proposal.</p>	<p>Program Development Committee recommended approval of staff moving forward with OSU to develop a proposal for the Technical Assistance Center. Motion passed unanimously.</p>
<p>6.b. Program Development Committee Report – Discussion and Possible Action on Contract with the Tobacco Technical Assistance Consortium (TTAC) for a Project to Align Multi-Agency Efforts in Ongoing Planning, Training, and Capacity Building of Grantees Across Multiple Issue Areas</p> <p>Jonás Mata reported that a contract with TTAC is needed for several reasons. First, there is a need for an Academy of Excellence for the Nutrition and Fitness grantees. TTAC has extensive experience in organizing “academies” but lacks experience specifically in nutrition and fitness. Therefore, TTAC plans to subcontract with Samuels & Assocs. for program content but will handle the details of organizing the academy for the Communities of Excellence in Nutrition and Fitness grantees. Secondly, TTAC will work on a Public Health Academy design which will evaluate the needs for community-based training for grantees and contractors of TSET, the Oklahoma Department of Mental Health and Substance Abuse Services (ODMHSAS) and OSDH to identify common terms, tools, and training that might be accomplished together in order to reduce the burden on community grantees and coalition members. There has been much national interest in what Oklahoma is trying to do with the Public Health Academy and TTAC will produce publishable documents on the process and outcomes. Thirdly, a group focused on publishing tobacco control products will be assisted by TTAC.</p>	<p>Program Development Committee recommended approval of contract with the Tobacco Technical Assistance Consortium (TTAC) in the amount of \$110,000. Motion passed unanimously.</p>
<p>6.c. Program Development Committee Report – Update on Status of Unsolicited Proposals</p> <p>Jonás Mata reported that four unsolicited proposals are moving forward from the brief to full proposal stage. He anticipated that all four full proposals will be presented in the September board meeting.</p>	

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<p>7.a. Program Implementation Committee Report – Discussion and Possible Action on Health Communications Plans for FY 2012</p> <p>Sjonna Paulson provided an update on current health communications activity and reviewed the proposed communications budget for FY 2012. 1) The Centers for Disease Control and Prevention (CDC) is running a media campaign in Oklahoma, Arkansas, and Louisiana. The ads are co-tagged with the Helpline and will run throughout the spring. 2) TSET, the OSDH and Visual Image (VI) will be presented with the Lowe Runkle “Distinguished Service” award on behalf of the Oklahoma City Ad Club in recognition of a single outstanding contribution to the advertising industry or the community as a result of an advertising program, for the Tobacco Stops With Me campaign. Communications products have garnered local and district ADDY awards, with one TV commercial heading to a national competition. 3) The HAVOC campaign targeting 18-26 year olds has been successful in negotiating smoke free club nights, and four venue partners have established a smokefree policy as part of their marketing strategy as a result of their experiences with the HAVOC events. Dr. Beebe and/or Dr. Ling will present the findings of survey results at the September board meeting. 4) The SoonerQuit for Women campaign is under development in collaboration with the Oklahoma Health Care Authority. Nine Oklahoma women who have quit smoking have been interviewed for radio, TV, billboard and print ads which are scheduled to launch in the Oklahoma City and Tulsa markets in June. 5) Ms. Paulson described the FY 2012 health communications budget, which provides support for Tobacco Stops With Me, Oklahoma Tobacco Helpline, HAVOC and the TSET Awareness campaigns, as well as the next phase of the Shape Your Future campaign. John Kennedy pointed out that VI was providing \$25,000 in in-kind services for the FY 2012 Health Communications effort and he thanked the representative from VI for this. Ms. Paulson explained that the \$25,000 was divided between the OSDH and TSET, as VI is the media firm for both agencies and the tobacco control health communications efforts cross both agencies as well.</p>	<p>Program Implementation Committee recommended approval of the FY 2012 health communications budget in the amount of \$5.2 million. Motion passed unanimously.</p>
<p>7.b.i.-viii Program Implementation Committee Report – Discussion and Possible Action on Renewal of Program Grants and Contracts</p> <p>Casey Killblane directed board members to the list of grants and contracts under consideration for renewal for FY 2012:</p> <p>Research Grants \$1,000,000 (plus carryover) - Oklahoma Center for Adult Stem Cell Research – Oklahoma Medical Research Foundation \$1,000,000 (plus carryover) - Oklahoma Tobacco Research Center (Phase I) – Peggy and Charles Stephenson Oklahoma Cancer Center</p> <p>Cessation Systems Initiatives</p>	<p>Program Implementation Committee recommended that the slate of program grants and contracts be renewed for FY 2012. Motion Passed unanimously.</p>

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<p>\$125,000 - Oklahoma Insurance Dept. \$194,500 - Oklahoma Hospital Association \$242,056 - Oklahoma Dept. of Mental Health and Substance Abuse Services \$205,314 - Oklahoma Health Care Authority</p> <p>Other Grants \$170,925 - Indian Health Care Resource Center, Tulsa – Nutrition and Fitness pilot project \$5,000,000 - Free & Clear, Inc. – Oklahoma Tobacco Helpline Services \$67,407 – Oklahoma Dept. of Mental Health and Substance Abuse Services - Youth Access to Tobacco Enforcement</p> <p>Program Support \$650,000 - Oklahoma State Dept. of Health, Tobacco Use Prevention Services - Tobacco Control State Program Office services \$480,700– University of Oklahoma College of Public Health, Dept. of Biostatistics and Epidemiology - Tobacco Control Evaluation \$200,000 – Oklahoma State Dept. of Health, Strong and Healthy Oklahoma Division - Nutrition and Fitness State Program Office services \$155,500 – Oklahoma State University, Division of Nutrition Sciences - Nutrition and Fitness evaluation</p> <p>Health Communications Initiatives \$5,340,000- Marketing Services - Visual Image, Inc. \$135,000 - Web Site Services – Ok.gov \$25,000 – Shauna Schroder - Graphic Design</p> <p>Other Contracts \$15,000 - Foundation Management, Inc. - Consultation Services</p> <p>Ms. Killblane explained that the board members could pull any of the grants or contracts out of the list for further discussion or a separate vote. There were no questions.</p>	
<p>7.c. Program Implementation Committee Report – Discussion and Possible Action on a Three Month Extension of the Addressing Tobacco in Specific Populations grant (RFP#09290000003) to the Oklahoma State University Seretean Wellness Center, for Tobacco Prevention on OSU Campuses Statewide</p> <p>Casey Killblane explained that the OSU grants had been discussed during the Program Development Committee report and that the extension was needed to allow time to prepare the grant terms for the proposed technical assistance center.</p>	<p>Program Implementation Committee recommended a three-month grant extension for the OSU grant related to college campuses. Motion passed unanimously.</p>

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<p>7.d. Program Implementation Committee Report – Discussion and Possible Action on Renewal of Program Contracts from Other Agencies Oklahoma State Dept. of Health – Certified Healthy Communities Program \$3.5 million over three years Oklahoma Health Care Authority – Health Communications for Medicaid Beneficiaries \$300,000 Oklahoma State Educators and Employees Group Insurance Board – for Oklahoma Tobacco Helpline Services \$100,000 Oklahoma State Dept. of Health – for Oklahoma Tobacco Helpline Services \$750,000</p>	<p>Program Implementation Committee recommended the slate of program contracts from other agencies for renewal for FY 2012. Motion Passed unanimously.</p>
<p>7.e. Program Implementation Committee Report – Discussion and Possible Action on TSET Staffing Needs Tracey Strader stated that she would be coming to the board in September with a plan for additional staff to carry the agency forward proactively. This may be particularly relevant depending on the outcome of the Attorney General’s opinion regarding capital gains.</p>	
<p>8.a.i. Agency Operations Committee Report – FY 2011 Third Quarter Budget to Actual Operating Budget Dr. Foster reported that through the 3rd quarter of the fiscal year, 47.5% of the operating budget was expended. Through April, 57% of the operating budget was expended.</p>	
<p>8.a.ii. Agency Operations Committee Report – FY 2011 Third Quarter Budget to Actual Programs Budget Dr. Foster reported that through the 3rd quarter of the fiscal year, 42.75% of the programs budget was expended. Through April 45% of the programs budget was expended. All expenditures are paid on a cost reimbursement basis, therefore spending does not occur in equal monthly distributions, and the final expenditure rate will not be known until several months after the fiscal year ends. Ken Rowe inquired about the expected rate of expenditures and Jonás indicated that the rate should be roughly 95% for existing grantees, with the exception of new grantees who typically take 2-3 years to reach a 95% expenditure rate annually.</p>	
<p>8.b. Agency Operations Committee Report – Discussion and Possible Action on FY 2011 Budget Revision Tracey Strader explained that this budget revision reflects the carryover the board previously approved for the Oklahoma Center for Adult Stem Cell Research, and moves funding from the Unsolicited Proposals line to health communications and from the grant management software line to personnel. It also increases the bottom line from \$22,692,088 to \$23,018,109 or a \$326,021 increase reflecting the OCASCR carryover.</p>	<p>Agency Operations Committee recommended approval of the FY 2011 budget revision. Motion passed unanimously.</p>

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<p>8.c.i. Agency Operations Committee Report - Discussion and Possible Action on FY 2012 Operating Budget Tracey Strader described changes in the FY 2012 operating budget including: the temporary part-time position will become a full-time position, spending for furniture is reduced as the majority of moving-related expenses occur in FY 2011, an increase to the Office of State Finance contract of \$5,000 has been added for additional duties, and the amount for grants management software has been reduced, resulting in a total reduction of \$23,646 and bringing the grand total operating budget to \$905,841.</p>	<p>Agency Operations Committee recommended approval of the FY 2012 Operating and Programs budget. Motion passed unanimously.</p>
<p>8.c.ii. Agency Operations Committee Report – Discussion and Possible Action on FY 2012 Programs Budget Tracey Strader described the FY 2012 Programs budget changes including: the addition of a Program Manager position for the Certified Healthy Communities Initiative, both the OTRC and the OCASCR have requested that FY 2011 unspent amount be added to their FY 2012 contract and the specific amounts will be known in September 2011. Tracey Strader also explained that the Communities of Excellence in Nutrition and Fitness grantees are included; the technical assistance contract with the Tobacco Use Prevention Service has been increased to \$700,000 having been approved by the Program Implementation Committee. The total final operating is \$905,841, the total final program is \$24,399,728, and the total combined is \$25,305,569.</p>	
<p>8.d. Agency Operations Committee Report – Discussion and Possible Action to Assign Oklahoma Tobacco Helpline Contract (RFP#TSET 092-3) from Free & Clear, Inc. to Alere Wellbeing Free and Clear was purchased by Alere Wellbeing, and they now need to change the name of the company. Tracey Strader requested approval to assign the contract to Alere Wellbeing pending completion of the required paperwork. Ken Rowe asked if there would be any impact on Helpline services and Tracey Strader indicated that there would be none, all services would be maintained. She added that if problems arise with the service delivery, it may require a site visit and/or reconsideration. Ken Rowe requested TSET staff to monitor the service delivery over the next six months. John Kennedy inquired whether the contract would change in any way, and whether changes would be made using our contract provisions, or at the very least receive our consent on any changes. Bill Lissau asked that the contract be reviewed by general counsel, Jan Preslar, and be conditional on approval of TSET’s consent, with a 30 day termination clause.</p>	<p>Agency Operations Committee recommended assignment of the contract from Free & Clear Inc., to Alere Wellbeing pending review and approval by the agency attorney. Motion passed unanimously.</p>
<p>11. New Business – any matter not known about or which could not have been reasonably foreseen prior to the time of posting the agenda [25 O.S. § 311 (A)(9)] Ken Rowe called for new business. There was no new business.</p>	

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<p>12. Public Comment Ken Rowe called for public comment. Frank Merrick stated that he consults with the City of Muskogee Foundation. As a result of the potential grant from TSET for Nutrition and Fitness work at the community level, the board members decided to have their blood sugar and cholesterol checked, and participate in a contest in which the members will weigh-in each month to see who loses the most weight.</p>	
<p>9.a. Proposed Executive Session - Review and discussion of Unsolicited proposals, as authorized by the Open Meeting Act – 25 O.S. § 307(b)(7) and as required to preserve confidentiality under 62 O.S. Supp. 2006, § 2309(C)(4)</p>	<p>Motion to move into Executive Session to discuss unsolicited proposals made by Casey Killblane and seconded by Dr. Foster. Motion passed unanimously.</p> <p>Motion to move out of Executive Session made by Casey Killblane and seconded by Bill Lissau. Motion passed unanimously.</p>
<p>10. Proposed Executive Session - Consideration and possible vote on items from Executive Session</p>	<p>Motion to approve a slate of 15 Communities of Excellence in Nutrition and Fitness grantees made by Susan Bizé and seconded by Casey Killblane. Dr. Foster recused himself from the vote due to a conflict of interest. Motion passed unanimously.</p> <p>Motion to change the previously approved Communities of Excellence in Nutrition and Fitness line item in the FY 2012 programs budget to \$1,125,000. This also changes the total program budget amount to \$24,474,728 and the combined budget total to \$245,380,569 made by Dr. Foster and seconded by Casey Killblane. Motion passed unanimously.</p>
<p>13. Adjournment</p>	<p>Motion made to adjourn made by Casey Killblane and seconded by John Kennedy. Motion passed unanimously.</p>