

**Oklahoma Tobacco Settlement Endowment Trust
Board of Directors
Minutes**

November 17, 2009

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

Staff Present: Tracey Strader, Jonás Mata, Sjonna Paulson, Sharon Neal, Dorothy Antwine

Guests Present: Nate Atchison, Laura Beebe, Dawn Bonham, Terry Cline, Judy Duncan, Dr. Ewart (participated by phone), Representative John Enns (participated by phone), Joseph Ferretti, Justin Jernigan, Julie Cox-Kain, Doug Matheny, D. Robert McCaffree, Frank Merrick, Stephen Prescott, Anne Roberts, Regina Switzer, Gillette Thomas, Reneé Wyrick

Agenda Item and Discussion	Action and Follow-up
<p>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.</p>	
<p>2. Approval of Minutes of the September 10, 2009 Regular Board Meeting</p>	<p><i>Motion to approve Minutes of the September 10, 2009 Regular Board Meeting made by Dr. Cooper and seconded by Dr. Foster. Motion passed unanimously. John Kennedy and Ken Rowe were not present for the vote. Dorothy Antwine will make the minutes part of the permanent record.</i></p>
<p>3. Approval of Minutes of the September 24, 2009 Special Board Meeting</p>	<p><i>Motion to approve Minutes of the September 24, 2009 Special Board Meeting made by Dr. Cooper and seconded by Dr. Foster. Motion passed unanimously. John Kennedy and Ken Rowe were not present for the vote. Dorothy Antwine will make the minutes part of the permanent record.</i></p>
<p>4. Report on the FY 2009 Annual Independent Audit – Nate Atchison, Partner, Finley & Cook, PLLC Nate Atchison reported that they rendered an unqualified report on the financial statements. There were no issues as to the accounting, documentation, policies and procedures. The internal controls were tested and no material weaknesses or deficiencies were found.</p>	<p>The audit report will be posted on the TSET web site.</p>

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<p>5.a. Chair’s Report – Discussion and Possible Action on Board Meeting Dates for 2010 Casey Killblane led a discussion on the available 2010 board meeting dates. Dates selected were February 24, 2010, May 18, 2010, September 9, 2010 and November 17-18, 2010.</p>	<p><i>Motion to approve 2010 Board Meeting dates made by Bill Lissau and seconded by Dr. Foster. Motion passed unanimously. John Kennedy was not present for the vote. Dorothy Antwine will file the meeting dates with the Secretary of State’s Office.</i></p>
<p>5.c. Recognition of Former Board Member, D. Robert McCaffree Casey Killblane reported that Dr. Robert McCaffree had resigned from the board to serve as Co-Director of the Oklahoma Tobacco Research Center. The board presented Dr. McCaffree with a plaque in appreciation for his service.</p>	
<p>5.d. Consideration and Possible Action on Tobacco Control Policy Resolutions Casey Killblane introduced two resolutions which had been updated from those passed last year: ‘Protecting Oklahoma Workers from Exposure to Secondhand Smoke’, and ‘Returning Local Rights to Take Action on Tobacco’.</p>	<p><i>Motion made to adopt both tobacco control policy resolutions made by Susan Bizé and seconded by Bill Lissau. Motion passed unanimously. John Kennedy was not present for the vote.</i></p>
<p>6.a. Director’s Report – Board of Investors Update Tracey Strader said the Board of Investors anticipated an additional \$221,299.49 in certified earnings, bringing the FY 09 earnings to \$18,022,783.10.</p>	
<p>6.b. Recent Training Events Tracey Strader provided updates on recent training events.</p>	
<p>6.c. Stimulus Funding Collaborations Tracey Strader reported that the Health Cabinet agencies had been working together to prepare for grant opportunities as a result of stimulus funding. The collaborations resulted in some priority setting which might be useful for TSET’s future planning.</p>	
<p>6.d. Upcoming Training Events Tracey Strader reviewed various upcoming training opportunities and conferences.</p>	
<p>6.e. FY 2010 Conference Sponsorships Tracey Strader described the conferences that had been sponsored in this fiscal year to date.</p>	

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<p>7.a. Program Development Committee Report – Presentation – 18-24 Year Old Tobacco Prevention Initiative Sjonna Paulson discussed counter-marketing strategies that could be pursued to reach the 18-24 or the 18-30 year old population. Visual Image, the TSET media firm, is prepared to subcontract with the Rescue Social Change Group to conduct formative research in clubs where young adults are smoking and being targeted by the tobacco industry.</p>	<p><i>Program Development Committee recommended pursuit of 18-24 year old initiative and staff keeping the committee and Chair involved. Motion passed unanimously. John Kennedy was not present for the vote.</i></p>
<p>7.b. Consideration and Possible Action on Grant Award to the Oklahoma Department of Mental Health and Substance Abuse Services to Expand ABLE Commission Compliance Checks Related to the Youth Access to Tobacco Act Susan Bizé said that the federal Synar Amendment requires all states to check compliance among tobacco retailers with laws prohibiting the sale of tobacco products to minors. If compliance falls below 80% the Oklahoma Department of Mental Health and Substance Abuse Services would lose its federal block grant funding. In addition, new research indicates that active enforcement of these laws can reduce youth tobacco use by as much as a tobacco tax increase. Susan said the National Association of Attorneys General (NAAG) working group entitled ‘No Sale: Youth, Tobacco and Responsible Retailing’ recommends compliance checks of each retail outlet at least two to three times each year. This grant would assure that at least 2,000 compliance checks are conducted annually. It is expected that the FDA will eventually contract with states to conduct compliance checks, so this TSET grant would help build capacity and protect our youth until the FDA funding begins.</p>	<p><i>Program Development Committee recommended awarding grant to ODMHSAS to expand compliance checks through the ABLE Commission. Motion passed unanimously. John Kennedy was not present for the vote.</i></p>
<p>8.a. Presentation – Oklahoma Tobacco Control Program Update Doug Matheny provided an update on the tobacco control program. Mr. Matheny discussed target outcomes and measures in cessation, prevention and protection. He emphasized that youth tobacco use has declined from 2007 to 2009, and there are more “committed non-smokers” among youth. Although adult smoking prevalence has not declined substantially, there are now fewer “everyday” smokers. Although total cigarette tax stamps sold are down, cigarette tax collections are up from \$55 million to \$240 million since the 2005 tax increase.</p>	
<p>8.b. Presentation – FY 2009 Oklahoma Tobacco Helpline Evaluation Report Dr. Beebe gave an update on highlights from the Oklahoma Tobacco Helpline annual evaluation report. In FY 09 37,855 Oklahomans registered for services. Over 90% of survey respondents were somewhat, very, or mostly satisfied with the services, and the overall quit rate for those in the multiple call program was 30%. This is a very high quit rate when compared with the 5% quit rate for those who quit ‘cold turkey.’</p>	

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<p>8.c. Presentation – Oklahoma Tobacco Helpline Weight Concerns Randomized Clinical Trial Results Dr. Beebe presented that the purpose of the Weigh2Quit study was to test an intervention that addressed concerns about weight gain during a quit attempt. The weight concerns intervention produced a non-statistically significant increase of 3.5% in 30 day quit rates. Among diabetics the quit rate was statistically significantly higher among those receiving the weight concerns intervention compared to standard Helpline. The intervention produced a significant reduction in weight concerns and negative attitudes about weight gain. It demonstrated that smokers are concerned about weight gain associated with quitting smoking and they are willing to address both quitting smoking and weight concerns concurrently. Given the high prevalence of co-morbid diseases, such as diabetes and heart disease, among smokers, the significant results among diabetic smokers may indicate a promising strategy for the most at-risk tobacco users.</p>	
<p>8.f. Presentation – Bryan and Marshall Counties Communities of Excellence and Students Working Against Tobacco (SWAT) SWAT (Students Working Against Tobacco) members from Bryan and Marshall counties spoke to the board about their activities and accomplishments in partnership with the Communities of Excellence program.</p>	
<p>9.a.i. Agency Operations Committee – FY 2009 Fourth Quarter Budget to Actual – Operating Budget Ken Rowe reviewed the FY 2009 Fourth Quarter Operating expenditures. Jonás Mata reported that the bid process for grants management software is nearly complete.</p>	
<p>9.a.ii. FY 2009 Fourth Quarter Budget to Actual – Programs Budget Ken Rowe reviewed the FY 2009 Fourth Quarter Programs expenditures. Overall spending was at 89% and well within the board’s target of at least 80%.</p>	
<p>9.b.i. FY 2010 First Quarter Budget to Actual – Operating Budget Ken Rowe reviewed the FY 2010 First Quarter Operating expenditures.</p>	
<p>9.b.ii. FY 2010 First Quarter Budget to Actual – Programs Budget Ken Rowe reviewed the FY 2010 First Quarter Programs expenditures.</p>	
<p>9.c. Consideration and Possible Action on Board Manual Revisions Ken Rowe discussed committee changes made to the board manual. He said last year the board’s committee structure included an Evaluation Committee and the Program Committee. The manual has been updated to reflect the new committee structure which includes a Program Development Committee and Program Implementation Committee.</p>	<p><i>Agency Operations Committee recommended approval of the board manual revisions. Motion passed unanimously. John Kennedy was not present for the vote.</i></p>

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<p>9.d. Consideration and Possible Action on Adoption of Draft Administrative Rules Ken Rowe said the committee was recommending approval of the draft administrative rules for the agency and the grantmaking process.</p>	<p><i>Agency Operations Committee recommended approval of the draft administrative rules. Motion passed unanimously. John Kennedy was not present for the vote.</i> A public hearing and open comment period will be held and the board may vote to adopt the proposed permanent rules at the February 2010 board meeting.</p>
<p>9.e. Consideration and Possible Action on Office Space Options Ken Rowe stated that TSET had located a new office space that would allow for future growth and met the criteria of the agency’s needs.</p>	<p><i>Agency Operations Committee recommended approval of the space at Research Park by the Department of Central Services. Motion passed unanimously. John Kennedy was not present for the vote.</i></p>
<p>10.a. Election of Officers – Election Casey Killblane opened the discussion for election of officers for Chair and Vice Chair.</p>	<p><i>Motion to re-elect Casey Killblane as Board Chair made by Dr. Foster and seconded by Susan Bizé. Motion passed unanimously. Casey Killblane abstained from the vote. John Kennedy was not present for the vote.</i> <i>Motion to nominate Ken Rowe as Board Vice Chair made by Susan Bizé and seconded by Dr. Cooper. Motion passed unanimously. Ken Rowe abstained from the vote. John Kennedy was not present for the vote.</i></p>
<p>10.b. Committee Assignments Casey Killblane opened the discussion for committee assignments. Board members agreed to the following committee assignments: <i>Program Development Committee:</i> Susan Bizé (Chair) Dr. Cooper; <i>Program Implementation Committee:</i> Dr. Foster (Chair) Bill Lissau; <i>Agency Operations Committee:</i> Ken Rowe (Chair) John Kennedy</p>	
<p>8.d. Program Implementation Committee Report – Oklahoma Tobacco Research Center Update and Future Direction Dr. McCaffree described the strategic plan of the OTRC, and provided updates on the progress of the center with regard to seed grant funding, NCI grant awards, and training sessions sponsored.</p>	
<p>11. New Business Casey Killblane called for new business items. There were no new business items.</p>	

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<p>12. Public Comment Casey Killblane called for public comment and there was no public comment.</p>	
<p>13. Overview of Retreat Purpose and Goals Frank Merrick, strategic planning facilitator, led the board and staff in a discussion of their goals for the retreat. The following goals were identified:</p> <ul style="list-style-type: none"> • Identify next steps for fitness and nutrition and adult stem cell research. • Discuss ways to do outreach and tell the TSET story. Develop a clear vision of how we are going to move forward with program implementation. • Identify the staff and resources needed to accomplish the board’s goals, and how much can be accomplished by TSET staff vs. opportunities to outsource tasks or projects. • Identify how each TSET program ties back to the Constitutional amendment. • Protect against spreading program funding and approaches too thin, and assure adequate attention to attain outcomes. • Review the budget and earnings projections to identify opportunities to build upon programs that the board is currently funding. 	
<p>14. Presentation – Adult Stem Cell Research and Regenerative Medicine Concept Proposal Dr. Prescott and Dr. Ferretti presented a proposal for a new center called ‘Oklahoma Center for Adult Stem Cell & Regenerative Medicine Research’. Dr. Prescott described the structure of the center, consisting of a steering committee, governing board comprised of the research directors of OMRF, OU, and OSU, a scientific director and an executive assistant to support the director. The steering committee would be comprised of scientists who would not be eligible for funding. The Governing Board would report directly to TSET. The Center would be a ‘virtual’ center and would initially involve OMRF, OU, and OSU but would be open to any scientist or institution that would want to be a part of it. The principle activities of the center would be research, recruitment of scientists, collaboration between scientists and institutions, and education.</p>	
<p>John Kennedy arrived.</p>	
<p>17. Presentation – Recommendations on Physical Activity and Nutrition Using a Community Based Model Julie Cox-Kain with the Oklahoma State Department of Health introduced the mission of the fitness and nutrition program within the OSDH and provided an update on the Strong and Healthy Oklahoma initiative which serves as the coordinating body for all physical activity and nutrition programs. Ms. Cox-Kain introduced OSDH Commissioner Terry Cline and said she would resume her presentation after Dr. Cline’s presentation.</p>	

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<p>15. Presentation – Oklahoma Health Improvement Plan (OHIP) Overview Commissioner Cline discussed the process of developing the OHIP Plan. He described the three flagship issues (obesity reduction, children’s health and tobacco use) which must be addressed in Oklahoma to improve the health status in the state. Legislators will be presented with a plan which will present the recommendations from the flagship workgroups as well as recommendations from workgroups addressing the public health infrastructure in Oklahoma (finance, workforce, access to care, etc.). Dr. Cline indicated that only a collaboration of many stakeholders and actively engaged communities will turn around the state’s poor health rankings.</p>	
<p>17. Presentation – Recommendations on Physical Activity and Nutrition Using a Community Based Model (continued) Julie Cox-Kain discussed current activities and needs regarding fitness testing in schools, local policy, and programs such as the CATCH program and CATCH Kids Club, Safe Routes to School, utilization of the School Health Index by the Healthy and Fit School Health Advisory Committees, and Certified Healthy Businesses. She recommended that the best opportunity for impact in physical activity and nutrition may be in funding communitywide programs that are evidence-based, involve multiple strategies and are multifaceted. Such strategies are identified by the CDC, Institute of Medicine, and other nationally recognized expert health organizations.</p>	
<p>16. Presentation – Fitness and Nutrition Funding Recommendations Anne Roberts discussed the fitness & nutrition funding recommendation from the Oklahoma Fit Kids Coalition (OFKC). Areas discussed were OFKC strategies, public policy accomplishments and needs, and the need for a media campaign to raise public awareness and build support for the policies and programs needed to adequately address childhood obesity. Ms. Roberts indicated that the CDC’s ‘MAPPS’ strategies included a heavy emphasis on public and voluntary policy. She recommended that the board consider funding a remake of the “Do” campaign which was developed by Blue Cross/Blue Shield of Minnesota and was successful in changing attitudes about physical activity. Roberts discussed the projected costs and anticipated timeline from beginning to launch of the campaign.</p>	
<p>18. Review of Current Strategic Plan Tracey Strader reviewed the strategic plan and program priorities, and objectives.</p>	
<p>John Kennedy arrived.</p>	
<p>5.b. Chair’s Report – Introduction of New Board Member, John Kennedy John Kennedy gave the board an overview of his background and indicated his commitment to the board’s mission and goals.</p>	
<p>19. Recess</p>	

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Guests Present: Michael Carolina, The Honorable Drew Edmondson, Dr. Ewart, D. Robert McCaffree, Frank Merrick,

Agenda Item and Discussion	Action and Follow-up
<p>21. Presentation – Future Program Funding Recommendations Attorney General Drew Edmondson asked the board to consider a long-term funding commitment to the OU Cancer Institute. He recommended that the board fund OUCI’s operating expenses in the amount of \$5 million per year for 20 years. He explained that this could be the board’s ‘brick and mortar’ legacy.</p>	<p>Tracey Strader will draft a letter on behalf of the board to thank the Attorney General for his presentation.</p>
<p>22. Presentation – Basic Center of Excellence Model Michael Carolina, Director of the Oklahoma Center for the Advancement of Science and Technology (OCAST) provided an overview of the basic Center of Excellence model. He described the governance structure and the types of measures that would be appropriate for a Center, including how the TSET board’s investment would leverage other funding and have an impact on Oklahoma. He also described the process of how OCAST funds Centers. He described the peer review process used by OCAST to fund competitive projects, and how OCAST monitors the contracts for achievement of milestones and pays after milestones are met. Mr. Carolina explained that if OCAST were to assist TSET in administering a research funding initiative, OCAST would submit a quarterly progress report to the board.</p>	
<p>23. Facilitated Discussion of Future Program Direction and Strategic Planning Needs Frank Merrick reviewed TSET’s commitment to Adult Stem Cell Research:</p> <ul style="list-style-type: none"> • \$500,000 in FY 2010 • One million a year for five years after • A commitment was made that funds not spent in one year could be spent in subsequent years • An evaluation would be conducted after four years. <p>Dr. Ewart discussed both proposals presented at this meeting. He noted one thing that stood out was that research institutes and universities were very well equipped to manage grants that are awarded to them, making sure they comply with all the federal and state regulations related to how the money is dispersed, and providing reports of their activities and accomplishments. He recommended the following:</p>	<p>Next Steps:</p> <ol style="list-style-type: none"> 1) work on the naming and branding of the Center so that it accurately captures TSET’s mission 2) Tracey Strader and Ken Rowe would meet with the Chief Financial Officers of the three institutions to identify a funding mechanism that would work for everyone 3) revise the proposal to include a TSET appointee (appointed by the TSET board Chair) on the steering committee 4) identify the metrics by which the grant’s progress would be measured and identify

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<p>1.) If the board funds the Center directly, funding decisions should include input from the scientists because administrators and scientists may differ in their opinions about how best to meet their needs.</p> <p>2.) Include a representative from TSET on the steering committee to assure that the Center was implemented according to the goals and purposes of the board.</p> <p>After a thorough discussion of the options of TSET funding the Center directly or contracting with OCAST to fund the Center, board members arrived at a consensus that the addition of OCAST into the process would be adding an unnecessary layer. They expressed their confidence in the checks and balances in the Center’s structure and its relationship to TSET, as described by Drs. Prescott and Ferretti.</p> <p>Susan Bizé emphasized that Center’s activities should relate to cancer or other tobacco-related diseases to tie back to the language in the Constitution. Others indicated that adult stem cell research would fit the mission because the research would be for the purpose of improving the health of Oklahomans.</p> <p>Frank Merrick summarized the discussion and identified next steps.</p>	<p>the reporting requirements.</p> <p>Tracey will follow-up with Michael Carolina to let him know that the board will pursue direct funding of the Center.</p>
<p>Frank Merrick facilitated the board’s discussion of the current status of tobacco control funding and programs. The board identified future needs in tobacco control as follows:</p> <ul style="list-style-type: none"> • Expand the Helpline to levels recommended in the OHIP plan. • Continue with plans to launch Communities of Excellence (Wave III) with the goal of covering at least 85% of the state’s population. • Funding for priority populations – those most at risk for tobacco use and tobacco related disease and death. • Expand health communications. 	
<p>The board discussed the need to strategically communicate TSET’s identity and mission. They recommended staff work with Visual Image or another media firm to develop a ‘brand’ and a public relations plan. The goal of this effort would be to educate the public and state leaders on TSET’s mission, programs, and outcomes.</p>	<p>Tracey Strader and Sjonna Paulson will identify an appropriate approach and begin implementation with the involvement of the Agency Operations Committee.</p>
<p>Frank Merrick facilitated the board’s discussion of next steps in fitness and nutrition planning. Tracey Strader recommended that the board engage the services of Samuels & Associates, an organization dedicated to strategic planning and evaluation of similar initiatives with state level and national private foundations. Their expertise would bring a strategic planning process that will help the board gain input from key stakeholders to prioritize approaches for funding. As a result of this process the board would have a logic model to help guide their funding decisions.</p>	<p><i>Motion to hire strategic planning consultants to assist the board in planning a funding strategy in fitness and nutrition made by Bill Lissau and seconded by Ken Rowe. Motion passed unanimously.</i></p>

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Dr. Cooper left the meeting	
<p>24. Discussion of TSET Outreach Efforts Frank Merrick facilitated the board’s discussion on their individual outreach efforts to promote the agency and its mission. Casey Killblane encouraged the members to meet with their elected officials to educate them on the agency and its mission. She also recommended that the members stay in touch with their appointing authorities on a regular basis (at least annually).</p>	
<p>25. Discussion of Establishment of Advisory Panels This item was not discussed.</p>	
Bill Lissau left the meeting.	
<p>26. Identification of Next Steps Frank Merrick led the board and staff in a discussion of the staff that may be needed to advance the board’s grantmaking efforts and maintain a high level of operations.</p>	<p><i>Motion to progress with hiring staff in Communications (working with the Agency Operations Committee) with salary up to \$55,000 made by Ken Rowe and seconded by Susan Bizé. Motion passed unanimously. Dr. Cooper and Bill Lissau were not present for the vote.</i></p> <p>Tracey Strader will prepare a staffing plan with job descriptions for the Agency Operations Committee’s review.</p>
<p>8.e. Program Implementation Committee Report – Presentation – FY 2010 Tobacco Control Health Communications Updates Sjonna Paulson provided an update of the health communications projects currently underway, particularly the upcoming creative for Phase III of ‘Tobacco Stops With Me’ campaign.</p>	
<p>27. Adjournment</p>	<p><i>Motion to adjourn made by Dr. Foster and seconded by Susan Bizé. Motion passed unanimously. Dr. Cooper and Bill Lissau were not present for the vote.</i></p>