

Oklahoma Tobacco Settlement Endowment Trust

California Legislative Briefing
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Tracey Strader, MSW
Former TSET Executive Director



CONSTITUTIONAL AMENDMENT

- approved by voters 69% to 31% in 2000 (referendum)
- directed settlement revenues between the Tobacco Settlement Endowment Trust Fund and the Legislature's Oklahoma Tobacco Settlement Fund
- created a five-member Board of Investors to manage the fund
- created a seven-member Board of Directors to expend *only the earnings* for programs to improve health
- established criteria for the expenditure of trust fund earnings



Master Settlement Agreement Payment Distribution



75%

Tobacco Settlement Endowment Trust



18.75%

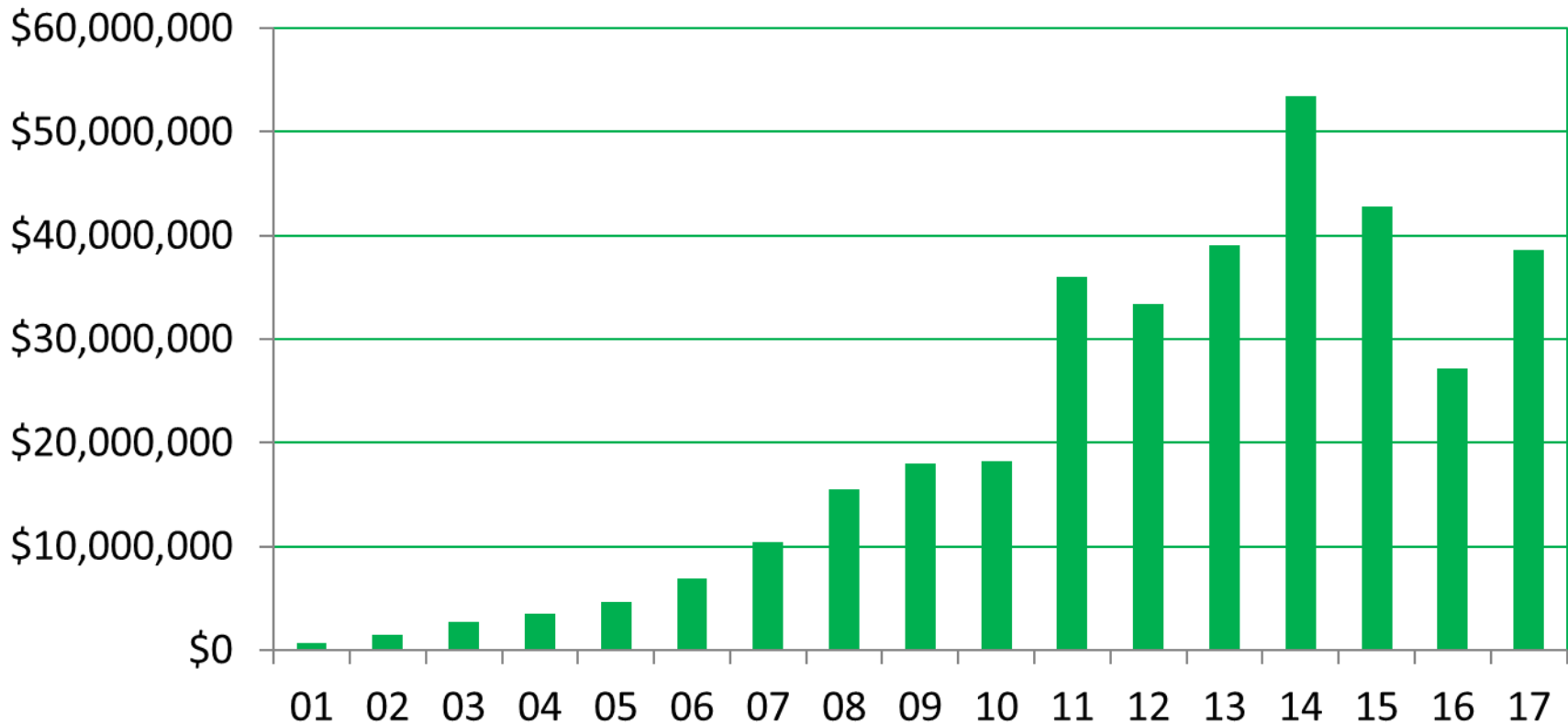
The Legislature



6.25%

Attorney General's Office

Certified Earnings, FY2001-FY2017



Allowable Program Funding

- research and treatment to prevent and combat cancer and other tobacco-related diseases
- cost effective tobacco prevention and cessation programs
- programs to improve the health of Oklahomans or enhance the provision of health care, particularly for youth
- programs for the benefit of children with an emphasis on common and higher education, before and after school programs, substance abuse prevention and treatment
- programs to enhance the health & well-being of senior adults

Working Philosophy

- state agency with grantmaking functions similar to a private foundation
- strategically funding programs for impact
- priority on evidence-based programs
- able to bring proven programs to scale in Oklahoma
- accountable for public funds

BOARD OF DIRECTORS

- seven-member board, seven-year terms, appointed by seven different elected officials
- one from each congressional district, not more than two from any single district
- no more than four from any single political party
- demonstrated expertise in public or private health care or program related to or for the benefit of children or senior adults



Killblane



Gebhart



Benjamin



Knoles



Millican



Stephens



Rowe

BOARD OF INVESTORS

- State Treasurer is Chair
- four additional members appointed by four different elected officials
- no more than two from any congressional district
- demonstrated expertise in public or private investment funds management



Miller



Pape



Dobson

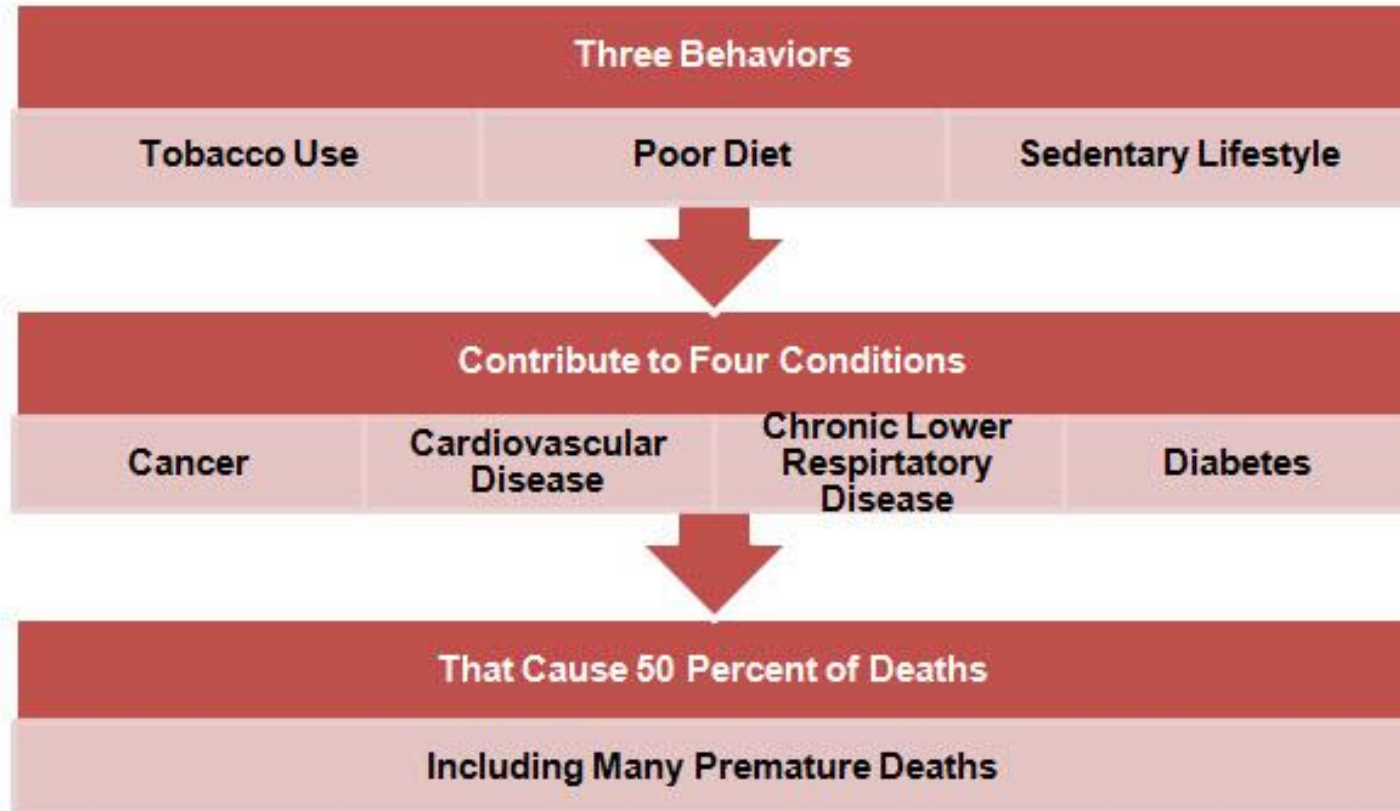


Vaughn

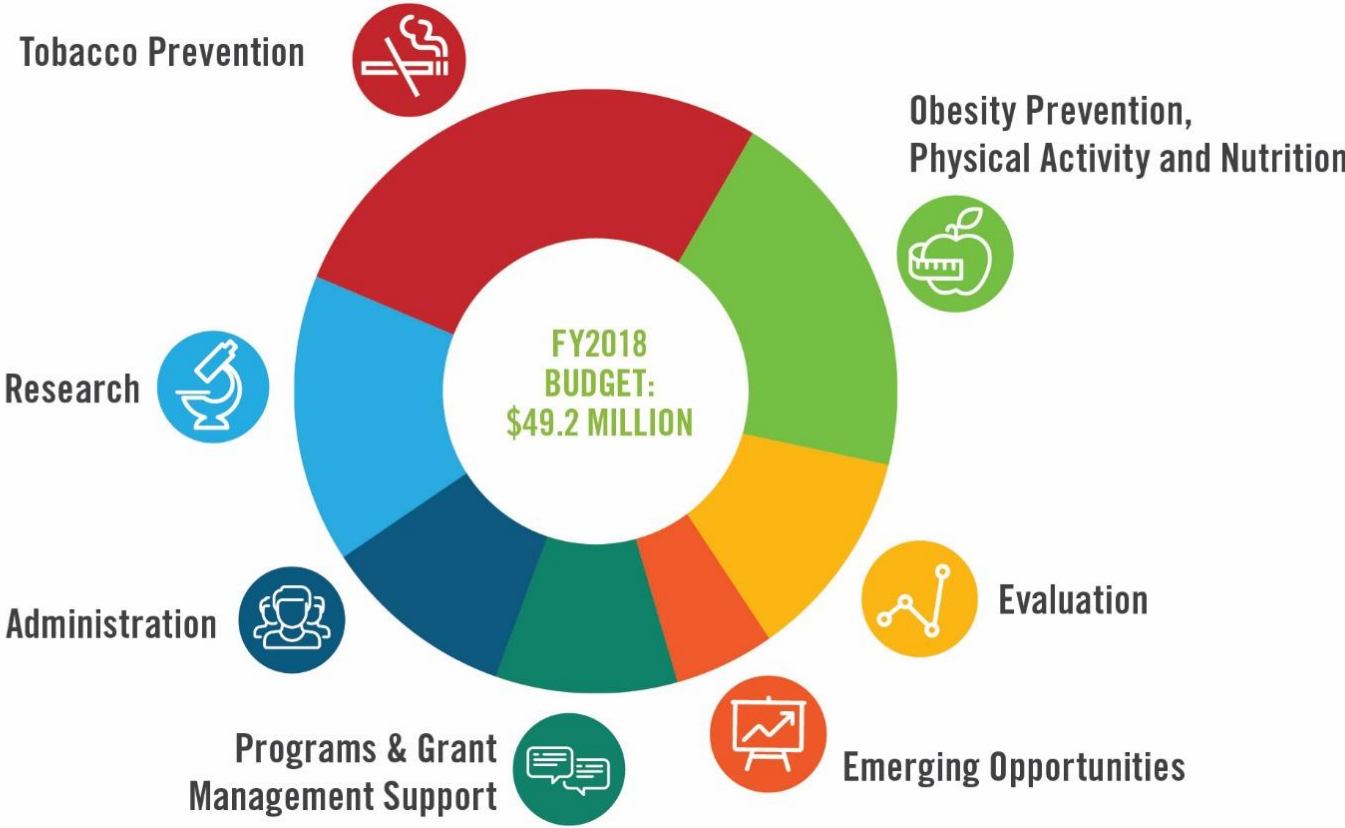


Bolander

Oklahoma's 3-4-60



FY18 Budget Allocation



Because of TSET, Oklahoma
SMOKING RATES HAVE DROPPED

10X FASTER

than similar states.

An independent study found:

- Adult smoking in Oklahoma fell .50 percentage point per year between 2006 and 2014
- Adult smoking fell .05 percentage points per year in states with similar laws and tobacco prices between 2006 and 2014
- Rapid decline in adult smoking can be attributed to TSET sustained investment preventing and reducing tobacco use.
- <http://tset.ok.gov/content/tset-impact-study>



Smoking among kids
CUT IN HALF.

- More former smokers than smokers
- Adult smoking at historic low, 19.6 percent, 2016 BRFSS
- Youth smoking cut in half between 2002 and 2015
- Homes with smokefree policies increased 84 percent between 2001 and 2016
- All public school children are protected by a state law that makes schools tobacco free 24/7

Oklahoma Tobacco Helpline

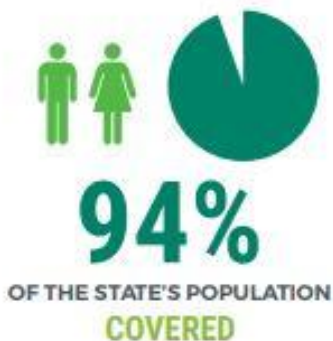
- serving 35,000 to 40,000 Oklahomans each year
- quit coaching™ significantly increases quit rates
- patches, gum, or lozenges sent via mail order
- estimated savings of \$67 million annually for direct medical cost from smokers who have quit
- Top-ranked in the nation for reach and effectiveness
- Real-time referrals through electronic medical records



HEALTHY LIVING PROGRAM



TSET Healthy Living Program grants are community-based grants that seek to prevent and reduce tobacco use and obesity through a comprehensive approach that includes strategic actions and partnerships with businesses, cities, governments, community institutions, organizations and schools.



RESEARCH



TSET works to promote new scientific discoveries and give Oklahomans access to cutting-edge cancer treatments by funding three major research programs:

TSET Cancer Research Program: \$27.5 million over 5 years

Oklahoma Tobacco Research Center (OTRC): \$19 million over 5 years

Oklahoma Center for Adult Stem Cell Research (OCASCR): \$17 million over 5.5 years

The TSET Phase 1 Clinical Trials program at the Stephenson Cancer Center offers cutting-edge cancer treatment to Oklahomans across the state. The program recently ranked 2nd nationally in patients served.

HEALTH COMMUNICATION



Customized public education interventions are proven to be one of the most effective strategies to reduce tobacco use and promote healthy behaviors. Through rigorous evaluation, TSET public education interventions are proven to be effective in changing knowledge, attitudes and behaviors to support healthy lifestyle choices by Oklahomans.

**TOBACCO
STOPS WITH ME.com**



Oklahoma TSET Cancer Research Program

- Stephenson Cancer Center
 - Established in 2011
 - \$27.5 million over 5 years
 - Oklahoma TSET Research Scholars
 - Oklahoma TSET Phase I Clinical Trials Center
 - Ranked No. 2 nationally for patients enrolled in NCI Clinical Trials



HEALTH SYSTEMS INITIATIVE

- Oklahoma Hospital Association to work with health care providers to educate them about cessation services available to patients.
- Oklahoma Department of Mental Health and Substance Abuse Services to work with contract providers of behavioral health services to make facilities tobacco free.
- Oklahoma Health Care Authority to increase the number of calls to the Helpline through outreach efforts and training services.

ADDRESSING PHYSICIAN SHORTAGE

- Oklahoma Medical Loan Repayment Program to recruit primary care physicians to medically underserved areas through a partnership between TSET and the Physician Manpower Training Commission.
- Oklahoma State University Medical Authority Residency Program to support physician training in rural and medically underserved areas.

RECOMMENDATIONS

Constitutional amendment

Independent, but transparent and accountable board

Structure earnings similar to a traditional endowment
minimize volatility (e.g. three year rolling average)

Consider start-up funding to get programs going
while early investments work to generate earnings

Create a reserve fund for stability