

Oklahoma Senate Committee on Appropriations

2019-20 Performance Report

Tobacco Settlement Endowment Trust Fund

AGENCY MISSION STATEMENT:

The mission of the Oklahoma Tobacco Settlement Endowment Trust Fund Board of Directors is 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.

LEAD ADMINISTRATOR:

Julie Bisbee
Interim Executive Director
405-521-4992,
julieb@tset.ok.gov
3800 N. Classen, Suite 200
Oklahoma City, OK 73118

GOVERNANCE:

Here a brief description of the agency's governance structure should be provided. Is the agency headed by a Governor appointee? An appointee of an independent board? Who selects the board, and who are the current members of the board.

Does the Board have any committees or subgroups? If so, please provide a detailed listing of the subgroups and their areas of focus.

TSET has two appointed boards. The TSET Board of Investors is comprised of five appointed members, appointed by four different elected officials. The Board of Investors, chaired by the State Treasurer (as stated in the Constitution), hires fund managers and certifies endowment earnings to be used by the TSET Board of Directors.

The TSET Board of Directors is a seven-member board appointed by seven statewide elected officials to represent a congressional district. Members of the TSET Board of Directors are appointed by the Governor, Senate President Pro Tempore, Speaker of the House, State Treasurer, Attorney General, State Auditor, and State Superintendent of Education. The TSET Board of Directors governs agency operations and makes funding decisions on grants and programs. The Executive Director directs the day-to-day business of the agency and answers to the TSET Board of Directors.

The TSET Board of Directors has four board subcommittees, program development, program implementation, agency operations, and public information and outreach. Committees are comprised of two board members and the chair of the board is an ad hoc member of the committees.

TSET Board of Directors Committees:

Agency Operations Committee. The role of the Agency Operations Committee is to periodically review the Board's operations and program budgets and expenditures, progress reports, and audits, personnel and other agency operations issues and make recommendations to the Board regarding: 1) The adoption of a budget for each fiscal year after the Board of Directors has been notified by the Board of Investors of the amount of earnings available for distribution; 2) A long-term budget for administrative and program purposes which recognizes the growth in revenue available for grants and the funding stream necessary for multi-year program development, and 3) Agency personnel and other operations issues.

Program Development Committee. The role of the Program Development Committee is to review existing research and best practices, assess the need for various programs, and services, within the State of Oklahoma, and make recommendations to the Board regarding: 1) Program areas in which the Board should focus future funding, 2) Processes for the request, receipt, review and award of proposals for grant programs funded by the Board. This may include the promulgation of rules that formalize the processes established; 3) Program funding options that will advance the mission, goals, values and strategies described in the Board's strategic plan; 3) Program support services such as training, technical assistance, and consultation.

Program Implementation Committee. The role of the Program Implementation Committee is to review existing research and best practices, to review existing TSET-funded programs and evaluation results, and to annually review the Board's strategic plan and make recommendations to the Board regarding: 1) Current data and evidence on the success of program activities, 2) Renewal or termination of grants or grant programs, 3) Modifying program design and implementation based on evidence of effectiveness; 4) Consultation needed to assure that the strategic plan and program design are responsive to current opportunities and issues, facilitate system improvement, and achieve the most effective return on investment.

Public Information and Outreach Committee. The Public Outreach Committee consists of three board members and, at the request of the committee, additional members of the public. The role of the committee is to develop strategies for informing the public about the history, mission and strategic direction of TSET and providing recommendations to the board regarding: 1) identification of key stakeholders; 2) development of outreach messages, strategies, and methods; 3) board member outreach efforts; and 4) tracking outreach results and outcomes.

GOVERNANCE ACCOUNTABILITY:

Is there an attendance policy for board members/commissioners? If so, is it being followed?

The TSET Board of Directors meets quarterly, and board members are expected to attend the meetings. To date the board has had no problem with attendance.

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MODERNIZATION EFFORTS:

Please provide a listing of all government modernization efforts undertaken by the agency in the last twelve months. Additionally, please provide any authorizing statutory changes that prompted the modernization efforts and whether those efforts have led to cost savings or additional cost burden.

What steps has the agency taken to cut costs and/or eliminate waste? Are there efforts that have been successful which you believe could serve as a model for other state agencies seeking to keep costs minimal?

TSET has consistently worked with the Office of Management Enterprise Services to maximize technology innovations and leverage shared services. TSET's initial request to the Office of State Finance to do the agency's budget analysis work prompted OSF to develop the Agency Business Services division.

In the past 12 months, the majority of individual grants are utilizing an online grant management system that reduces paperwork, automates the process, increases accountability and increases efficiency in making payment to TSET's customers, grantees. Also in the past 12 months, all agency documentation that was previously in paper-only form has been scanned into a secured, searchable archival system. The agency has upgraded its project management software utilized by grantees, contractors and staff, which has increased collaboration and improved efficiencies the keep shared projects on-time and on-budget.

CORE MISSION:

What services are you required to provide which are outside of your core mission? Are any services you provide duplicated or replicated by another agency? Are there services which are core to your mission which you are unable to perform because of requirements to perform non-core services elsewhere?

Article 10, Section 40 of the Oklahoma Constitution outlines the key areas in which funds from the Tobacco Settlement Endowment Trust can be spent, and provides express authority to the Board of Directors for expenditure of the funds. There are no services TSET is required to provide outside of the core mission, no services are duplicated or replicated by another agency, and there are no mission-critical services that TSET is unable to perform because of requirements to perform non-core services elsewhere.

The constitutionally specified allowable areas for funding are: research in cancer and tobacco related diseases, cost-effective tobacco prevention and cessation programs; programs designed to improve the health of Oklahomans; programs and services to benefit

children with an emphasis on common and higher education, substance abuse prevention and treatment and programs to enhance the health and well-being of senior adults.

To fund for maximum impact and change, the TSET Board of Directions has developed a strategic plan that seeks to reduce the leading causes of death in Oklahoma – cancer and cardiovascular disease – by reducing preventable behaviors that contribute to the onset of these diseases. By funding grants and programs to prevent and reduce tobacco use and obesity, TSET's efforts focus on increasing knowledge, awareness and activities that make the healthy choice the easy choice where Oklahomans live, work, learn and play.

TSET works very closely with other agencies in the Health and Human Services cabinet and has grant agreements with several agencies to provide preventative services or promote systems change within their sphere of influence. As a grant maker, the TSET Board of Directors have been strategic in partnering and leveraging resources, rather than duplicating services. We currently have grants and contracts with several state agencies (Oklahoma State Department of Health, Oklahoma Health Care Authority and Oklahoma Department of Mental Health and Substance Abuse Services) for a variety of programs to address tobacco use and obesity prevention within the at-risk populations they serve.

In one example of how TSET supports these agencies, 44% of all cigarettes sold in the U.S. are sold to people with behavioral health disorders, and when people receive tobacco dependence treatment along with their behavioral health treatment, they are more likely to remain abstinent from their substance of abuse and/or less likely to be re-hospitalized for their behavioral health disorder. In this way, TSET's grant enhances and supports the work of ODMHSAS. ODMHSAS would not be able to fund this critical work within their system by other means.

TSET also funds the Oklahoma Medical Loan Repayment Program administered by the Physician Manpower Training Commission. This grant provides medical loan repayment for primary care physicians recruited to rural and underserved areas of the state. Before the loan repayment program was in place, Oklahoma lost talent to Texas on a regular basis through a similar program available in our neighboring state. TSET funding provides the state share necessary to obtain a federal match through the Oklahoma Health Care Authority. At least 30% of the patients seen by the physicians in the Oklahoma medical loan repayment program must be on Medicaid. To date, physicians serving through the program have conducted more than 270,000 patient visits. By leveraging existing match dollars, more funds available to recruit physicians to rural, medically underserved areas.

The TSET Board of Directors also has research grants with the Stephenson Cancer Center, the Oklahoma Tobacco Research Center and the Oklahoma Center for Adult Stem Cell Research. Stephenson Cancer Center recently received National Cancer Institute designation, which means Oklahoma cancer patients can receive world-class care close to home. Patients treated at an NCI-designated center have a 25% higher survival rate.

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In all research grants, TSET focuses on cancer and cardiovascular disease or other tobacco-related diseases. TSET research grants support and promotes statewide collaboration and leveraging existing resources for maximum impact. The Oklahoma Tobacco Research Center is conducting research on vapor devices and using innovative approaches to increase and improve cessation. Researchers at the Oklahoma Tobacco Research Center have attracted national funding from National Health Institutes, National Cancer Institutes and other national funders. The TSET grant with the Oklahoma Center for Adult Stem Cell Research created a collaborative governing board comprised of representatives from Oklahoma State University, the University of Oklahoma and the Oklahoma Medical Research Foundation this assures coordination, leveraging of resources, and prevents duplication.

TSET's goal of partnering and leveraging has helped attract additional funding for research in Oklahoma. For every \$1 TSET invests in research in Oklahoma, institutions are able to provide an additional \$3 in funding.

PRIVATE ALTERNATIVES:

Are any of the services which are performed by the agency also performed in the private sector in Oklahoma? In other states? Has the agency been approached by any foundation, for-profit or not-for-profit corporation with efforts to privatize some of the functions of the agency?

Some of the services TSET funds are provided by the private sector. For example, TSET has a contract with Optum in Seattle, Washington, to provide tobacco cessation coaching services to Oklahomans. Optum provides similar services to 27 states and over 400 businesses across the country and is a leader in providing this type of services. TSET also uses an Oklahoma City-based media firm to execute award-winning, evidence based and evaluated campaigns that educate on the dangers of tobacco use, exposure to secondhand smoke and promote increased physical activity and improved nutrition.

As a grantmaker TSET makes every effort to find leaders in a field to deliver services in a cost-effective way for maximum impact. To date, TSET has not been approached by other funders to privatize our work.