

## Tobacco Settlement Endowment Trust (TSET) 09200

Lead Administrator: John Woods, Executive Director

FY'17 Projected Division/Program Funding By Source						
Appropriations	Federal	Revolving	Local	Other*	Total	
<b>Board of Investors:</b>						
Administration		\$143,000				\$143,000
Investment Mgmt Fees (not paid from earnings certified for use by the Board of Directors)		\$2,924,271				\$2,924,271
<b>Board of Directors:</b>						
Administration		\$1,816,170				\$1,816,170
Data processing		\$232,000				\$232,000
<b>Programs:</b>						
Statewide Grants		\$6,191,000				\$6,191,000
Community-based Grants		\$13,476,236				\$13,476,236
Research		\$12,300,000				\$12,300,000
Health Communications		\$12,926,764				\$12,926,764
Evaluation		\$1,860,000				\$1,860,000
Program & Grant Mgmt Support		\$1,013,000				\$1,013,000
Technical assistance & Training		\$1,940,500				\$1,940,500
Data Processing		\$10,000				\$10,000
<b>Total</b>	<b>\$0</b>	<b>0.00%</b>	<b>\$54,832,941</b>	<b>\$0</b>	<b>\$0</b>	<b>\$54,832,941</b>
Less Investment Mgmt Fees			\$2,924,271			\$2,924,271
<b>Total Net of Investment Mgmt Fees</b>			<b>\$51,908,670</b>			<b>\$51,908,670</b>
*Source of "Other" and % of "Other" total for each.						

FY'16 Carryover and Refund by Funding Source						
Appropriations	Federal	Revolving	Local	Other*	Total	
FY'16 Carryover		\$ 2,858,072				
FY'16 GR Refund**						\$0
*Source of "Other" and % of "Other" total for each.						
**Indicate how the FY'16 General Revenue refund was budgeted N/A						

What Changes did the Agency Make between FY'16 and FY'17?
<p><b>1.) Are there any services no longer provided because of budget cuts?</b> TSET does not receive a legislative appropriation, and is funded by the earnings from the Tobacco Settlement Endowment Trust fund. In FY16 and FY17, earnings from the endowment have been less than previous years causing the agency to postpone grant expansions and cut administrative costs. Services to the public have not been impacted at this time.</p> <p><b>2.) What services are provided at a higher cost to the user?</b> TSET services provided to the public are free.</p> <p><b>3.) What services are still provided but with a slower response rate?</b> Does not apply.</p> <p><b>4.) Did the agency provide any pay raises that were not legislatively/statutorily required? If so, please provide a detailed description in a separate doc</b> No existing positions received pay increases. The public information officer was promoted to Director of Public Information which had a higher starting salary. The executive director position salary was increased as a new hire was made.</p>

FY'18 Expected Division/Program Funding By Source						
	Appropriations	Federal	Revolving	Other	Total	% Change
<b>Board of Investors:</b>						
Administration			\$143,000		\$143,000	0.00%
Investment Mgmt Fees (not paid from earnings certified for TSET Board of Director's use)			\$2,924,271		\$2,924,271	0.00%
<b>Board of Directors:</b>						
Administration			\$1,816,170		\$1,816,170	0.00%
Data processing			\$232,000		\$232,000	0.00%
<b>Programs:</b>						
Statewide Grants			\$6,191,000		\$6,191,000	0.00%
Community-based Grants			\$13,476,236		\$13,476,236	0.00%
Research			\$12,300,000		\$12,300,000	0.00%
Health Communications Evaluation			\$12,926,764		\$12,926,764	0.00%
Program & Grant Mgmt Support			\$1,860,000		\$1,860,000	0.00%
Technical assistance & Training			\$1,013,000		\$1,013,000	0.00%
Data Processing			\$1,940,500		\$1,940,500	0.00%
			\$10,000		\$10,000	0.00%
<b>Total</b>	<b>\$0</b>	<b>0.00%</b>	<b>\$54,832,941</b>	<b>\$0</b>	<b>\$54,832,941</b>	<b>0.00%</b>
Less Investment Mgmt Fees			\$2,924,271		\$2,924,271	0.00%
<b>Total Net of Investment Mgmt Fees</b>			<b>\$51,908,670</b>		<b>\$51,908,670</b>	<b>0.00%</b>
*Source of "Other" and % of "Other" total for each.						

FY'18 Top Five Budget Adjustments	
	\$ Amount
<b>Total</b>	0

**How would the agency handle a 5% appropriation reduction in FY'18?**

**How would the agency handle a 7.5% appropriation reduction in FY'18?**

**How would the agency handle a 10% appropriation reduction in FY'18?**

Is the agency seeking any fee increases for FY'18?	
	\$ Amount
No. TSET does not charge fees for services.	\$0

**What are the agency's top 2-3 capital or technology (one-time) requests, if applicable?**

Not Applicable.

### Federal Government Impact

**1.) How much federal money received by the agency is tied to a mandate by the Federal Government?**

None

**2.) Are any of those funds inadequate to pay for the federal mandate?**

Does not apply.

**3.) What would the consequences be of ending all of the federal funds?** TSET does not receive federal funding.

TSET funds are used as match to leverage federal funding through the OHCA for the Oklahoma Tobacco Helpline, the Physician Manpower Training Commission for loan repayment assistance for medical doctors in underserved areas, and through the Oklahoma State Medical Authority for physician training programs. All programs benefit and enhance care and services to Oklahomans on SoonerCare and Medicare.

**4.) How will your agency be affected by federal budget cuts in the coming fiscal year?**

Does not apply.

**5.) Has the agency requested any additional federal earmarks or increases?**

No.

### Division and Program Descriptions

**Board of Directors**

The TSET Board of Directors is a bi-partisan board made up of 7 members appointed by 7 different elected officials to represent Oklahoma's congressional districts. The TSET Board of Directors oversees the expenditures of the earnings from the Tobacco Settlement Endowment Trust and approves the agency's annual budget and staffing.

**Board of Investors**

The TSET Board of Investors is comprised of 5 appointed members, appointed by 4 different elected officials, who oversee the investments and management of the endowment trust. The Board of Investors, chaired by the State Treasurer (as stated in the constitution), hires fund managers and certifies earnings to be used by the TSET Board of Directors. The TSET Board of Directors pays for up to two FTE in the Office of the State Treasurer to support the Board of Investors.

**Programs**

The TSET Board of Directors has focused funding on programs that prevent and reduce health behaviors that lead to the top causes of death in Oklahoma, cancer and cardiovascular disease. TSET's grants and programs focus on preventing and reducing tobacco use and obesity; TSET also funds the Oklahoma Tobacco Helpline and makes annual grants to the Stephenson Cancer Center, the Oklahoma Center for Adult Stem Cell Research and the Oklahoma Tobacco Research Center, for research in cancer and tobacco-related diseases. TSET funds grants and programs that help recruit physicians to rural areas through the Physician Manpower Training Commission and a grant to OSU to support physician training to work in rural areas.

**Data Processing**

This includes all computers, technology, automated budget and grant management systems needed to perform the duties of making grants and overseeing grants.

### FY'17 Budgeted FTE

	Supervisors	Classified	Unclassified	\$0 - \$35 K	\$35 K - \$70 K	\$70 K - \$\$\$
Board of Directors	6*		13	1	7	5*
Board of Investors						
Programs	3		12		10	2
Data Processing						
<b>Total</b>	<b>3</b>	<b>0</b>	<b>25</b>	<b>1</b>	<b>17</b>	<b>2</b>

\* Current Executive Director's last day in office is 01/07/2017, on leave until 03/01/2017. New Executive Director started 12/01/2016.

### FTE History

	2017 Budgeted	2016	2013	2010	2006
Board of Directors	13	11	5.5	3.5	3
Board of Investors					
Programs	12	12	8.5	3.5	0
Data Processing					
<b>Total</b>	<b>25</b>	<b>23</b>	<b>14.0</b>	<b>7</b>	<b>3</b>

Performance Measure Review					
	FY'16	FY'15	FY'14	FY'13	FY'12
<b>Measure I</b> To reduce smoking among Oklahoma adults from 26.1 to 18 percent by FY2018 (Behavior Risk Factor Surveillance System)	not available	22.2%	21.1%	23.6%	23.3%
<b>Measure II</b> To reduce obesity among Oklahoma adults from 32.2 to 29.2 percent by FY2018. (BRFSS)	not available	33.9%	33.0%	32.5%	32.2%
<b>Measure III</b> Increase the number of programs utilizing online grant system	4	3	2	1	-

Revolving Funds			
	FY'14-16 Avg. Revenues	FY'14-16 Avg. Expenditures	June '16 Balance
<b>Revolving Fund 200</b>	\$ 45,988,390	\$ 40,481,496	\$ 1,884,288
<b>Statutory Authority:</b> Oklahoma Constitution, Article 10, Section 20			
<b>Source of Funds:</b> TSET is funded from earnings certified to the TSET Board of Directors by the TSET Board of Investors. Earnings are generated from the investment of 75 percent of total annual payments to the state of Oklahoma as part of the Master Settlement Agreement.			
<b>What is the fund spent on?</b> In accordance with the constitution, earnings are spent on grants and programs to prevent and reduce tobacco use, cancer and other biomedical research, and grants and programs to improve outcomes statewide.			
<b>Is there a cap on the fund? No.</b>			