



STATE OF OKLAHOMA

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Oklahoma Tobacco Settlement Endowment Trust Releases Annual Report

OKLAHOMA CITY – The Oklahoma Tobacco Settlement Endowment Trust has released its fourth annual report on the distribution of tobacco settlement payments received by the State of Oklahoma and the programs funded with earnings from the endowment's investments.

The endowment was created in November 2000 when state voters overwhelmingly approved a Constitutional amendment to protect the majority of Oklahoma's share of the historic multi-state tobacco settlement, invest the funds, and use the proceeds to pay for programs to reduce tobacco use and improve the health of all Oklahomans.

The report states that from October 1999 through June 2005, the State of Oklahoma has received over \$434 million in settlement payments from the tobacco industry. Of that amount, \$216 million has been distributed to the state legislature for appropriation, \$211 million has been invested into the Oklahoma Tobacco Settlement Endowment Trust for program funding, and \$7 million has been distributed to the Attorney General's Office evidence fund.

Oklahoma Attorney General Drew Edmondson was one of the eight state Attorneys General who negotiated the 1998 Master Settlement Agreement. As a result of his leadership role in the agreement, the State of Oklahoma is projected to receive an additional \$268 million in total settlement payments.

Unlike the many other states that have used their tobacco settlement dollars for unrelated purposes, the Board of Directors has devoted all of the trust fund's available earnings in the early years of the endowment to reducing tobacco use in Oklahoma. The U.S. Centers for Disease Control and Prevention (CDC) recommends that a minimum of

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\$22 million is needed in Oklahoma each year for a comprehensive statewide program to effectively reduce tobacco use. Although total funding for tobacco use prevention in Oklahoma is currently less than half the minimum amount recommended by CDC, this amount is increasing each year as the endowment's earnings grow.

“While we still have a ways to go, Oklahoma is beginning to be recognized nationally as a leader in the effort to prevent youth tobacco use,” said Dr. Robert McCaffree, Chair of the endowment's Board of Directors. “This recognition is due in part to the Board's commitment to effectively address the tobacco use problem in our state. Each year as new funding becomes available we come closer to reaching the CDC's recommended minimum funding level.”

“Many Oklahomans don't realize that only the earnings from the endowment can be used to support these important programs,” said State Treasurer Scott Meacham, chair of the trust fund's Board of Investors, “Although the increase in the endowment's earnings is gradual, they will eventually be greater than the annual settlement payments deposited into the fund.”

To download a copy of the full report, please visit the endowment's website at www.tset.ok.gov.

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