



STATE OF OKLAHOMA

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Tobacco Endowment to Spend \$4.4 Million This Year to Combat Smoking Addiction

OKLAHOMA CITY – More than \$4 million in investment income from the state’s tobacco settlement endowment will be used in the coming year to combat tobacco addiction in Oklahoma.

Announcement of the \$4.4 million program budget for the endowment was made Friday at a State Capitol news conference with State Treasurer Robert Butkin, Attorney General Drew Edmondson and Endowment Board Chair Susan Bizé.

Funding comes entirely from investment income from the endowment, including \$3.4 million recently certified for use this fiscal year by the endowment’s board of investors. The remainder is carryover funding from last year.

The need to combat smoking in Oklahoma is huge, the three said. More than 5,700 Oklahomans died from smoking-related diseases every year. Some 14 percent of all Medicaid spending is related to smoking – estimated at \$170 million annually in Oklahoma.

Oklahoma has among the highest percentage of smokers in the United States. In Oklahoma, more than 600,000 people, 25 percent of adults, smoke. However, three out of four say they are interested in quitting.

“This endowment was never intended to be the comprehensive solution to tobacco addiction in Oklahoma,” said Treasurer Butkin. “We must do much more than this to fight the billions spent each year by the tobacco industry to promote its deadly products. Nonetheless, our efforts with the endowment stand as an example for the rest of the nation.”

Oklahoma is the only state with a constitutionally-protected endowment to fight tobacco addiction.

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“Public health was at the heart of our lawsuit and the Master Settlement Agreement, and public health is the heart of the endowment,” Edmondson said. “Creating this endowment, and trusting its growth and success to the wisdom and guidance of a dedicated Board of Directors and Board of Investors, has ensured Oklahoma will have the financial means to fight tobacco addiction now and in the future.”

Bizé said the money generated by the endowment has been and will be put to good use on programs that have proven to be effective.

“We’ve invested the available money very wisely. The Oklahoma Tobacco Helpline (1-866-PITCH ‘EM) is working very well. Thanks to the helpline, nearly 600 Oklahomans have quit smoking,” Bizé said. “Anti-smoking ads were broadcast to Oklahoma teens to counter tobacco advertising. The ‘Truth Campaign’ provided honest facts about smoking and the tobacco industry.”

Bizé said those same programs will be continued in the coming year and a community grants program will be started.

“In October, we will award 20 grants for \$75,000 each to qualifying local coalitions,” she said. “The money will be used to develop comprehensive efforts to fight tobacco addiction.”

More than \$8.3 million has been generated from investments to pay for smoking prevention and cessation programs since voters approved by a two-to-one margin in November 2000 a constitutional amendment to permanently set aside a portion of Oklahoma’s share of the tobacco settlement.

The endowment presently contains more than \$168 million. Investment of the funds is managed by the Board of Investors, chaired by Treasurer Butkin. Spending of the earnings is governed by the Board of Directors, chaired by Bizé.

An increasing percentage of Oklahoma’s share of the settlement is placed into the Endowment. In 2005, 65 percent of the settlement will go to the endowment. In 2006, 70 percent will be deposited. For each subsequent year, 75 percent will be placed into the endowment. The balance of the settlement payments are appropriated by the Legislature for health-related programs.

Butkin said that, eventually, annual investment income will be larger than the yearly payment received from the tobacco industry.

“This demonstrates the wisdom of Oklahoma voters in establishing the endowment. With this fund, we have a permanent source of money to help people quit and to keep thousands of others from ever smoking that first cigarette,” Butkin said. “We still have a long way to go, but the programs funded by the endowment are a big help as we work with all concerned Oklahomans to stop the damage caused by tobacco addiction.”

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