



SCOTT MEACHAM
OKLAHOMA STATE TREASURER

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Meacham Saves \$3.3 million in Tobacco Money

Enough saving to help almost 7,000 kick the habit

OKLAHOMA CITY – State Treasurer Scott Meacham is squeezing every penny he can from investments in the state’s Tobacco Settlement Endowment Trust to generate more money to help more Oklahomans quit smoking.

Cost-saving initiatives Meacham has instituted since taking over as chairman of the trust’s board of investors last year will generate an additional \$3.3 million during the next five years that can be spent to help combat tobacco addiction in Oklahoma.

The Tobacco Settlement Trust, approved by Oklahoma voters in 2000, was set up as a permanent endowment to generate investment income to fund ongoing tobacco cessation and prevention programs. A majority of Oklahoma’s ongoing annual tobacco settlement payments from tobacco companies is deposited into the fund.

“The savings we have negotiated will generate enough money to help almost 7,000 Oklahomans kick the habit,” Meacham said. “Every dollar of that savings can be used for programs like the Oklahoma Tobacco Helpline (1-800-QUIT NOW) to help more Oklahomans beat tobacco addiction.”

Dr. Robert McCaffree, chairman of the trust’s board of directors, said Meacham’s extra \$3.3 million is welcome money.

“We are facing an uphill battle in the fight against tobacco addiction,” McCaffree said. “Big tobacco is spending billions to keep people smoking and we need every dollar we can find to combat them. Who knows how many lives will be saved due to this savings.”

Meacham’s increased revenue comes from renegotiating three contracts the board of investors has made for financial management of the trust.

A new contract for management of a portion of the funds cut the management fees to less than 13 percent of the rate the trust was being charged when Meacham became chairman of the board of investors. That change, alone, is expected to save \$2.2 million during the next five years.

(more)

A newly-negotiated contract for custodial banking services is projected to generate an additional \$982,000 during the next five years.

A renegotiated contract for management of investments in bonds will save an additional \$150,000 over the next five years. Meacham was able to leverage the increasing size of the endowment to get a lower fee for the investment management.

The trust fund currently contains more than \$300 million and will generate about \$6 million this year for use by the trust's board of directors. In five years, it is expected to contain \$630 million and generate \$14.5 million for use by the board.

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