



SCOTT MEACHAM
OKLAHOMA STATE TREASURER

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**Treasurer Meacham Cites National Report Showing
Increased Spending on Tobacco Prevention Efforts**

Funding Hikes Attributable to Tobacco Endowment Investment Earnings

OKLAHOMA CITY – A healthy increase in tobacco endowment earnings are the primary reason funding for tobacco prevention has increased dramatically in Oklahoma, State Treasurer Scott Meacham said following release of a national report by the Campaign for Tobacco-Free Kids.

The report released Tuesday shows Oklahoma ranks 13th in the nation in funding to protect children from tobacco. Since 2003, Oklahoma's ranking on funding for tobacco prevention has steadily increased from 41st to its highest position today.

Primary funding comes from the investment of the Oklahoma Tobacco Settlement Endowment Trust Fund, created by constitutional amendment in 2000. Meacham serves as chairman of the fund's board of investors.

In August, the board of investors certified \$15.5 million in investment income. Each year, the board certifies actual dividends and interest earned after investment fees are paid. The earnings are then expended by a separate trust fund board of directors on smoking cessation and other health programs.

"Our latest certification is a 50 percent increase over the amount made available last year," Meacham said. "That equates to a \$5.1 million increase in just one year."

Annual earnings of the tobacco settlement endowment have more than tripled since Meacham became chairman of the board of investors. The earnings have increased from \$4.6 million in 2005 to \$15.5 million in 2008.

Earnings from the fund are growing due to two changes the board adopted at Meacham's recommendation. Meacham negotiated new investment contracts to cut the fees paid and the portfolio was redistributed to generate additional certified earnings while protecting the principal value of the fund.

(more)

Oklahoma is the only state with a constitutionally-protected endowment to fund programs that will reduce tobacco use and improve the health of Oklahomans. Since its inception, more than \$45.6 million in earnings have been generated.

Unlike standard endowments that are allowed to spend a set percentage of the value of the total fund each year, the Oklahoma Constitution limits the tobacco endowment to spending only actual earnings.

A total of 75 percent of Oklahoma's share of the national Master Settlement Agreement is placed into the endowment each year. The remainder of the settlement payments is appropriated by the Legislature.

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