

Project Name

Evaluation of the Tobacco Settlement Endowment Trust fund
21-092-02-TSET Funding

Priority Program Evaluation: expected completion is six to eight months from the date of the entrance conference, which took place October 8, 2020.

Project Background

In 2000, Oklahoma voters approved creation of a constitutionally-protected trust fund to receive a percent of settlement payments from the 1998 Master Settlement Agreement (MSA) with tobacco companies. Currently, annual payments from tobacco companies are distributed as follows: 75% to TSET, 18.75 % to the Legislature for appropriation and 6.25% to the Office of the Attorney General. TSET's annual budget is limited to the fund's interest earnings. In addition to administrative expenses, this fund is used for the following purposes: research and treatment efforts for the purpose of preventing and combating cancer and tobacco-related disease, tobacco prevention and cessation efforts, programs designed to improve the health of Oklahomans or enhance the provision of health care services, programs and services that benefit the children of Oklahoma or enhance the health of senior adults.

State Question 814, which is on the November 2020 ballot, proposes to change the distribution percentage structure, with 75% of the payment to be directed to the Legislature for appropriation and 25% allocated to the TSET fund. Should this amendment be adopted, a portion of the Legislative appropriation would continue to be distributed to the Attorney General's office (approximately 8.33%) with the remaining dedicated toward funding the state's share of Medicaid expansion.

Original Scope and Project Description

Project Description: Evaluate program spending and outcomes.

Scope of Work: Examine the percentage of funds going to tobacco cessation and forecast projections on tobacco-using population trends.

Material Findings from Entrance Conference

Oklahoma is the only state that constitutionally protected annual payments from tobacco companies. TSET identified Minnesota as a best practice state for achieving significant reduction in tobacco use, and noted that states with robust clean air and health policies have the best outcomes. In Oklahoma, there is correlation between low adult smoking prevalence and higher levels of education and income.

TSET defines success as a downward trend in adult smoking prevalence, single digit rates for children using tobacco products, greater controls on tobacco advertising and a comprehensive policy framework that supports tobacco use prevention.

TSET does not receive federal funds but coordinates with CDC grantees in the State, often providing the state match for federal grants. Should TSET funds fall short of expectations, the priority will be on maintaining programs that are not funded by any other means.

Evaluation Objectives

The LOFT evaluation team will provide the LOC with a better understanding of current TSET spending and projected funding needs, performance outcomes metrics for TSET programs and services, a comparison to other states, and an examination of available and applicable federal programs and services.

This evaluation will be structured and guided by six questions:

1. What is the return-on-investment for TSET's programs and services?
2. What are short-term and long-term outcomes for the TSET program? How are results measured?
3. What, if any, related services does TSET fund that might be provided by other sources?
4. How does Oklahoma's tobacco cessation efforts and spending compare to other states and national averages and how does spending relate to smoking prevalence?
5. Which TSET services or sets of services result in the best outcomes?
6. What is the projected budget for TSET should State Question 814 (2020) pass and what are the possible related programmatic changes?

