



1 monies that may be appropriated or otherwise directed to the trust  
2 fund by the Legislature.

3 B. 1. Deposits into the trust fund from monies which are  
4 received by the State of Oklahoma pursuant to any settlement with or  
5 judgment against any tobacco company or companies shall be based on  
6 the following schedule:

<u>Fiscal Year</u>	<u>Minimum Percentage</u> <u>of Payments</u>
Ending June 30, 2002	50%
Ending June 30, 2003	55%
Ending June 30, 2004	60%
Ending June 30, 2005	65%
Ending June 30, 2006	70%
Ending June 30, 2007	75%
<u>Ending June 30, 2021 and</u> <u>each fiscal year thereafter</u>	<u>25%</u>

19 2. ~~Deposits into the trust fund in subsequent fiscal years~~  
20 ~~shall never be less than seventy five percent (75%) of the payments.~~

21 ~~3.~~ The monies received by the State of Oklahoma pursuant to any  
22 settlement with or judgment against any tobacco company or companies  
23 after June 30, 2001, not deposited into the trust fund as provided  
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1 in this section, shall be deposited into a special fund established  
2 by the Legislature solely for the purpose of receiving the payments~~+~~  
3 ~~provided, the Legislature may, by law, direct a certain portion of~~  
4 ~~such monies to the Office of the Attorney General.~~ The special fund  
5 shall be subject to legislative appropriations and shall be  
6 appropriated and expended to draw down federal matching funds for  
7 the Medicaid program.

8 C. There is hereby created the Board of Investors of the  
9 Tobacco Settlement Endowment Trust Fund. The Board of Investors  
10 shall have the duty of investing monies in the trust fund, subject  
11 to restrictions and limitations provided by law for and in  
12 accordance with laws applicable to the investment of monies in state  
13 retirement funds.

14 The Board of Investors shall consist of five (5) members as  
15 follows:

- 16 1. The State Treasurer who shall be the chair;
- 17 2. An appointee of the Governor;
- 18 3. An appointee of the Speaker of the House of Representatives;
- 19 4. An appointee of the President Pro Tempore of the Senate; and
- 20 5. An appointee of the State Auditor and Inspector.

21 The initial appointees shall serve staggered terms of office as  
22 provided for by law. Thereafter, appointees shall serve four-year  
23 terms of office. No more than two appointees shall be appointed  
24 from any single congressional district. All appointed members shall

1 have demonstrated expertise in public or private investment funds  
2 management.

3 D. There is hereby created the Board of Directors of the  
4 Tobacco Settlement Endowment Trust Fund. The Board of Directors  
5 shall consist of seven (7) members, one appointed by each of the  
6 following appointing authorities:

- 7 1. The Governor;
- 8 2. The President Pro Tempore of the Senate;
- 9 3. The Speaker of the House of Representatives;
- 10 4. The Attorney General;
- 11 5. The State Treasurer;
- 12 6. The State Auditor and Inspector; and
- 13 7. The State Superintendent of Public Instruction.

14 The initial appointed members shall serve staggered terms of  
15 office as provided for by law. Thereafter, the appointed members of  
16 the Board of Directors shall serve seven-year terms of office. At  
17 least one appointee shall be appointed from each congressional  
18 district, and not more than two appointees shall be appointed from  
19 any single congressional district. Not more than four appointees  
20 shall be members of the same political party. An appointee shall  
21 have been a member of the political party to which the appointee  
22 belongs for at least one (1) year prior to the date of appointment.  
23 Appointees shall have demonstrated expertise in public or private  
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1 health care or programs related to or for the benefit of children or  
2 senior adults.

3 The Board of Directors shall meet at least one time each  
4 calendar quarter.

5 E. Earnings from the trust fund, including but not limited to  
6 interest, dividends, and realized capital gains from investments of  
7 the trust fund shall be expended as provided in subsection F of this  
8 section for the following purposes:

9 1. Clinical and basic research and treatment efforts in  
10 Oklahoma for the purpose of enhancing efforts to prevent and combat  
11 cancer and other tobacco-related diseases;

12 2. Cost-effective tobacco prevention and cessation programs;

13 3. Programs other than those specified in paragraph 1 of this  
14 subsection designed to maintain or improve the health of Oklahomans  
15 or to enhance the provision of health care services to Oklahomans,  
16 with particular emphasis on such programs for children;

17 4. Programs and services for the benefit of the children of  
18 Oklahoma, with particular emphasis on common and higher education,  
19 before- and after-school and pre-school programs, substance abuse  
20 prevention and treatment programs and other programs and services  
21 designed to improve the health and quality of life of children;

22 5. Programs designed to enhance the health and well-being of  
23 senior adults; and  
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1 6. Authorized administrative expenses of the Office of the  
2 State Treasurer and the Board of Directors.

3 F. Each fiscal year, the Board of Directors may expend the  
4 amount of earnings which actually accrued to the trust fund during  
5 the preceding fiscal year. Any amount not so expended shall remain  
6 in the trust fund. The Board shall direct specific expenditures to  
7 be made for the purposes specified in subsection E of this section.

8 G. The Legislature may enact laws to further implement the  
9 provisions of this section.

10 SECTION 2. The Ballot Title for the proposed Constitutional  
11 amendment as set forth in SECTION 1 of this resolution shall be in  
12 the following form:

13 BALLOT TITLE

14 Legislative Referendum No. \_\_\_\_\_ State Question No. \_\_\_\_\_

15 THE GIST OF THE PROPOSITION IS AS FOLLOWS:

16 This measure amends Section 40 of Article 10 of the Oklahoma  
17 Constitution. It modifies the amount of the annual tobacco  
18 settlement payments to the state to be deposited into the  
19 Tobacco Settlement Endowment Trust Fund. It modifies the amount  
20 of the annual tobacco settlement payments to the state to be  
21 deposited into the Tobacco Settlement Fund for appropriation by  
22 the Oklahoma Legislature. It specifies that deposits into the  
23 Tobacco Settlement Fund shall be appropriated and expended to  
24 draw down federal matching funds for the Medicaid program.

1 SHALL THE PROPOSAL BE APPROVED?

2 FOR THE PROPOSAL - YES \_\_\_\_\_

3 AGAINST THE PROPOSAL - NO \_\_\_\_\_

4 SECTION 3. The President Pro Tempore of the Senate shall,  
5 immediately after the passage of this resolution, prepare and file  
6 one copy thereof, including the Ballot Title set forth in SECTION 2  
7 hereof, with the Secretary of State and one copy with the Attorney  
8 General.

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10 DIRECT TO CALENDAR.

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