

BILL SUMMARY

2nd Session of the 60th Legislature

Bill No.:	HJR1077
Version:	FULLPCS2
Request Number:	15961
Author:	Rep. Caldwell (Trey)
Date:	2/24/2026
Impact:	TSET Admin. Savings of \$4-6 Million/yr., Increased OHLAP and ERRF Funding

Research Analysis

The second proposed committee substitute to HJR 1077 sends a constitutional amendment to a vote of the people that, if approved, would allow real property assets, stocks, and other equity investments to be deposited into the Tobacco Settlement Endowment Trust Fund. The measure dissolves the Board of Directors of the Tobacco Settlement Endowment Trust Fund and gives the Board of Investors of the Tobacco Settlement Endowment Trust Fund the duty to investigate, manage, and administer all money, real property assets, stocks, and other equity investments in the fund.

Additionally, the measure establishes that each year the Board of Investors must:

- Retain 20 percent of the funds as principal;
- Distribute the amount estimated by the Oklahoma State Regents of Higher Education needed to cover Oklahoma's Promise Scholarships; and
- Distribute any remaining funds to the Education Reform Revolving Fund.

Prepared By: Keana Swadley

Fiscal Analysis

HJR 1077 in its current form, creates a State Question that would modify Constitutional provisions related to the Tobacco Settlement Endowment Trust (TSET). The provisions of the State Question, would expand the categories of assets which could be deposited to TSET as principal, to include real property assets, stock, and other equity investments. Currently, such deposits are limited only to monies. The measure also transfers managing and administrative duties to the TSET Board of Investors, from the TSET Board of Directors. The measure eliminates the TSET Board of Directors and its administrative duties. Finally the measure provides a specific structure for distribution of annual TSET investment proceeds as follows: first, 20% to be retained by the trust fund as principal; second, additional amount needed to satisfy the annual estimated need for the Oklahoma Higher Learning Access Program (OHLAP) to provide scholarships; and third, any remainder to the Education Reform Revolving Fund (a.k.a. the 1017 Fund).

The structured distributions should streamline administration of TSET resulting in significant administrative savings, thus eliminating the need for TSET Board of Directors effort. These changes should result in administrative savings to TSET of \$4,000,000 to \$6,000,000 annually. The estimated cost of an OHLAP scholarship is just under \$6,000, the administrative savings alone would be expected to fund an additional 667 to 1,000 OHLAP scholarships annually, not

taking into account the additional scholarships that would be funded pursuant to the annual TSET earnings directed to the OHLAP scholarship effort, which would be significantly larger.

Prepared By: John McPhetridge, House Fiscal Director

Other Considerations

None.

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