

1 STATE OF OKLAHOMA

2 1st Session of the 55th Legislature (2015)

3 SENATE BILL 433

By: Crain

4
5
6 AS INTRODUCED

7 An Act relating to public finance; creating the
8 Common Education Trust Fund; providing for use of
9 fund; creating the Board of Investors of the Common
10 Education Trust Fund; establishing duties; providing
11 for appointments to the Board of Investors of the
12 Common Education Trust Fund; providing for staggered
13 terms and appointment of successors; providing for
14 removal for cause; providing for travel
15 reimbursement; providing for election of officers;
16 limiting terms; requiring quorum to transact
17 business; directing adherence to certain Acts;
18 providing for staffing; directing submission of
19 certain report; directing the State Treasurer to make
20 certain transfer by certain date; establishing
21 criteria for expenditure; providing for change in
22 expenditure purpose; creating the Teacher Salary
23 Supplement Committee; establishing duties; providing
24 for appointments to the Teacher Salary Supplement
Committee; providing for staggered terms and
appointment of successors; providing for removal for
cause; providing for travel reimbursement; providing
for election of officers; limiting terms; requiring
quorum to transact business; directing adherence to
certain Acts; providing for staffing; providing for
submission of certain report on expenditures;
prohibiting the supplanting or replacement of certain
existing state funds; directing the State Board of
Equalization to examine and investigate expenditures,
issue findings and a report; providing for supplanted
amount to be specified by the Board; requiring the
Legislature to replenish state funding under certain
circumstances; creating the Oklahoma Building Bonds
Common Education Sinking Fund; providing for use of
fund; directing the State Treasurer to make certain
deposits; amending 62 O.S. 2011, Section 57.303, as

1 last amended by Section 435, Chapter 304, O.S.L. 2012
2 (62 O.S. Supp. 2014, Section 57.303); directing the
3 Oklahoma Building Bonds Commission to perform certain
4 other duties; providing for codification; and
5 providing an effective date.

6 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

7 SECTION 1. NEW LAW A new section of law to be codified
8 in the Oklahoma Statutes as Section 4021 of Title 70, unless there
9 is created a duplication in numbering, reads as follows:

10 A. There is hereby created a trust fund to be known as the
11 "Common Education Trust Fund" to support teacher salary supplements,
12 recruit and retain teachers, programs that benefit all students in
13 the state, and other educational endeavors. The trust fund
14 principal shall consist of all funds generated through the issuance
15 of obligations authorized by Enrolled Senate Joint Resolution No. 15
16 of the 1st Session of the 55th Oklahoma Legislature and any other
17 monies that may be appropriated or otherwise directed to the trust
18 fund by the Legislature.

19 B. There is hereby created the Board of Investors of the Common
20 Education Trust Fund. The Board of Investors of the Common
21 Education Trust Fund shall:

- 22 1. Manage the assets of the Common Education Trust Fund;
- 23 2. Invest the Common Education Trust Fund monies exercising the
24 judgment and care, under circumstances then prevailing, which
persons of prudence, discretion and intelligence exercise in the

1 management of their own affairs, not for speculation, but with
2 regard to the permanent disposition of their funds, considering the
3 probable safety of their capital as well as the probable income to
4 be derived; and

5 3. Certify, on or before September 1 of each year, the amount
6 of funds available for expenditure each year from the Common
7 Education Trust Fund, which shall be limited to the earnings from
8 the trust fund, including but not limited to interest, dividends,
9 and realized capital gains from investments of the trust fund for
10 the previous fiscal year ending June 30.

11 C. The Board of Investors of the Common Education Trust Fund
12 shall be composed of five (5) members as follows:

- 13 1. The State Treasurer, or a designee, who shall serve as
14 chair;
- 15 2. An appointee of the Governor;
- 16 3. An appointee of the State Auditor and Inspector;
- 17 4. An appointee of the Speaker of the House of Representatives;
- 18 and
- 19 5. An appointee of the President Pro Tempore of the Senate.

20 Each appointed member of the Board of Investors of the Common
21 Education Trust Fund shall have demonstrated experience in public or
22 private investment fund management.

23 D. The initially appointed members shall serve staggered terms
24 as follows:

1 1. The term of the appointee of the Governor shall expire on
2 June 30, 2016;

3 2. The term of the appointee of the State Auditor and Inspector
4 shall expire on June 30, 2017;

5 3. The term of the appointee of the Speaker of the House of
6 Representatives shall end on June 30, 2018; and

7 4. The term of the appointee of the President Pro Tempore of
8 the Senate shall expire on June 30, 2019.

9 Thereafter, successors shall be appointed for terms of four (4)
10 years. An appointee may be removed for cause.

11 E. Members of the Board of Investors of the Common Education
12 Trust Fund shall receive no salary for serving on the Board of
13 Investors of the Common Education Trust Fund. All members shall
14 receive necessary travel expenses for the performance of their
15 duties from the Office of the Governor in accordance with the
16 provisions of the State Travel Reimbursement Act.

17 F. The Board of Investors of the Common Education Trust Fund
18 shall annually elect a vice chair, who shall preside over meetings
19 in the absence of the chair, and any other officers, provided that
20 no member shall be elected vice chair for more than two (2)
21 consecutive years. The Board of Investors of the Common Education
22 Trust Fund shall meet at least quarterly. Three (3) members of the
23 Board of Investors of the Common Education Trust Fund shall
24 constitute a quorum to transact business, but no vacancy shall

1 impair the right of the remaining members to exercise all of the
2 powers of the Board of Investors of the Common Education Trust Fund.

3 G. The Board of Investors of the Common Education Trust Fund
4 shall be subject to the Oklahoma Open Meeting Act, the Oklahoma Open
5 Records Act and the Administrative Procedures Act.

6 H. Staffing for the Board of Investors of the Common Education
7 Trust Fund shall be provided by the Office of the State Treasurer.

8 I. The Board of Investors of the Common Education Trust Fund
9 shall submit a report of the Common Education Trust Fund's
10 investments and asset value annually to the Governor, the State
11 Treasurer, the Speaker of the House of Representatives and the
12 President Pro Tempore of the Senate.

13 J. On or before September 30 of each year, the State Treasurer
14 shall transfer the amount certified by the Board of Investors for
15 the Common Education Trust Fund available for expenditure each year
16 from the Common Education Trust Fund to the State Department of
17 Education.

18 K. Earnings from the Common Education Trust Fund shall be
19 expended for the following purposes:

20 1. Supplement teacher salaries;

21 2. Recruit and retain common education teachers certified to
22 teach science, technology, engineering, mathematics or medicine
23 courses;

24

1 3. Recruit and retain faculty and staff certified to teach
2 science, technology, engineering, mathematics or medicine courses in
3 technology center schools;

4 4. Fund programs and opportunities that benefit all students in
5 the State of Oklahoma; and

6 5. Support other educational endeavors as directed by the
7 Legislature.

8 L. The Legislature may change the purposes for which
9 expenditures may be made to address specific issues in common
10 education.

11 SECTION 2. NEW LAW A new section of law to be codified
12 in the Oklahoma Statutes as Section 4022 of Title 70, unless there
13 is created a duplication in numbering, reads as follows:

14 A. There is hereby created the Teacher Salary Supplement
15 Committee. The Teacher Salary Supplement Committee shall:

16 1. Review the salaries of teachers in the state to determine if
17 salary supplements are appropriate and the amount of such
18 supplements, if they are deemed appropriate; and

19 2. Solicit proposals for programs and opportunities that would
20 benefit all students in the State of Oklahoma and determine if
21 funding is warranted.

22 B. The Teacher Salary Supplement Committee shall be composed of
23 seven (7) members as follows:

1 1. A member from the state at large, to be appointed by the
2 President Pro Tempore of the Senate, who shall serve as chair;

3 2. A member from the state at large, to be appointed by the
4 Speaker of the House of Representatives;

5 3. A member from a statewide organization representing public
6 school teachers, to be appointed by the Commissioners of the Land
7 Office;

8 4. A member from a statewide organization representing public
9 school administrators, to be appointed by the Commissioners of the
10 Land Office;

11 5. A member from a statewide organization representing parents
12 of public school students, to be appointed by the Commissioners of
13 the Land Office;

14 6. A member who represents a technology center school, to be
15 appointed by the Commissioners of the Land Office; and

16 7. A member from a statewide business organization, to be
17 appointed by the Commissioners of the Land Office.

18 C. The initially appointed members shall serve staggered terms
19 as follows:

20 1. The term of the appointee of the President Pro Tempore of
21 the Senate shall expire on June 30, 2016;

22 2. The term of the appointee of the Speaker of the House of
23 Representatives shall expire on June 30, 2017;

24

1 3. The term of the appointee from a statewide organization
2 representing public school teachers shall end on June 30, 2018;

3 4. The term of the appointee from a statewide organization
4 representing public school administrators shall expire on June 30,
5 2019;

6 5. The term of the appointee from a statewide organization
7 representing parents of public school students shall expire on June
8 30, 2020;

9 6. The term of the appointee who represents a technology center
10 school district shall expire on June 30, 2021; and

11 7. The term of the appointee from a statewide business
12 organization shall expire on June 30, 2022.

13 Thereafter, successors shall be appointed for terms of four (4)
14 years. An appointee may be removed for cause.

15 D. Members of the Teacher Salary Supplement Committee shall
16 receive no salary for serving on the Committee. All members shall
17 receive necessary travel expenses for the performance of their
18 duties from the Office of the Governor in accordance with the
19 provisions of the State Travel Reimbursement Act.

20 E. The Teacher Salary Supplement Committee shall annually elect
21 a vice chair, who shall preside over meetings in the absence of the
22 chair, and any other officers, provided that no member shall be
23 elected vice chair for more than two (2) consecutive years. The
24 Teacher Salary Supplement Committee shall meet at least quarterly.

1 Four (4) members of the Teacher Salary Supplement Committee shall
2 constitute a quorum to transact business, but no vacancy shall
3 impair the right of the remaining members to exercise all of the
4 powers of the Teacher Salary Supplement Committee.

5 F. The Teacher Salary Supplement Committee shall be subject to
6 the Oklahoma Open Meeting Act, the Oklahoma Open Records Act and the
7 Administrative Procedures Act.

8 G. Staffing for the Teacher Salary Supplement Committee shall
9 be provided by the State Department of Education.

10 H. Each fiscal year, the Teacher Salary Supplement Committee
11 shall submit a report to the President Pro Tempore of the Senate,
12 Speaker of the House of Representatives and the Governor on
13 expenditures made from the Common Education Trust Fund.

14 SECTION 3. NEW LAW A new section of law to be codified
15 in the Oklahoma Statutes as Section 4023 of Title 70, unless there
16 is created a duplication in numbering, reads as follows:

17 A. The monies expended from the Common Education Trust Fund
18 shall not be used to supplant or replace existing state funds used
19 for the financial support of public schools and technology center
20 schools.

21 B. In order to ensure that the funds expended from the Common
22 Education Trust Fund are used to enhance and not supplant state
23 funds used for the financial support of public schools and
24 technology center schools, the State Board of Equalization shall

1 examine and investigate legislative appropriations made for the
2 financial support of public schools and technology center schools
3 each year. At the meeting of the State Board of Equalization held
4 in February of each year, the State Board of Equalization shall
5 issue a finding and report which shall state whether funds from the
6 Common Education Trust Fund were used to enhance or supplant
7 legislative appropriations made for the financial support of public
8 schools and technology center schools. If the State Board of
9 Equalization finds that legislative appropriations made for the
10 financial support of public schools and technology center schools
11 were supplanted by funds expended from the Common Education Trust
12 Fund, the Board shall specify the amount by which such funding was
13 supplanted. In this event, the Legislature shall make an
14 appropriation for the ensuing fiscal year in the amount by which
15 such funding was supplanted.

16 SECTION 4. NEW LAW A new section of law to be codified
17 in the Oklahoma Statutes as Section 57.318 of Title 62, unless there
18 is created a duplication in numbering, reads as follows:

19 A. There is hereby created in the State Treasury a special fund
20 to be known and designated as the "Oklahoma Building Bonds Common
21 Education Sinking Fund", which is hereby irrevocably pledged to the
22 payment of the interest on and the principal of the obligations
23 issued pursuant to Enrolled Senate Joint Resolution No. 15 of the
24 1st Session of the 55th Oklahoma Legislature. The monies to the

1 credit thereof shall be paid out only in the manner and at the time
2 and places provided for in the resolution or indenture of the
3 Oklahoma Building Bonds Commission authorizing the issuance of such
4 obligations.

5 B. Upon receiving the monthly transmittal of the state sales
6 tax revenue collected pursuant to the Oklahoma Sales Tax Code, it
7 shall be the duty of the State Treasurer to set aside, from revenues
8 that would otherwise be apportioned to the General Revenue Fund, an
9 amount equal to one-twelfth (1/12) of the principal payment and one-
10 sixth (1/6) of the interest payment on the obligations issued
11 pursuant to Senate Joint Resolution No. 15 of the 1st Session of the
12 55th Oklahoma Legislature. The State Treasurer shall deposit such
13 monies into the Oklahoma Building Bonds Common Education Sinking
14 Fund for debt service payments.

15 SECTION 5. AMENDATORY 62 O.S. 2011, Section 57.303, as
16 last amended by Section 435, Chapter 304, O.S.L. 2012 (62 O.S. Supp.
17 2014, Section 57.303), is amended to read as follows:

18 Section 57.303. A. The Oklahoma Building Bonds Commission
19 acting for and on behalf of the State of Oklahoma shall be the
20 agency by and through which the State of Oklahoma shall incur
21 indebtedness in the sum of Three Hundred Fifty Million Dollars
22 (\$350,000,000.00) as principal for the purpose of restoring and
23 modernizing the state's infrastructure, for constructing new
24 buildings and other capital improvements, and for equipping,

1 remodeling, modernizing and repairing any and all existing buildings
2 and capital improvements, and purchase of land, equipment and
3 furnishings necessary for such new construction or remodeling,
4 including any costs associated with the issuance of the
5 indebtedness, as follows:

6 1. Oklahoma State Regents for Higher Education

7 for expenditure as follows:

- | | | |
|----|---|-----------------|
| 8 | a. University of Oklahoma - Norman Campus | \$22,731,000.00 |
| 9 | b. University of Oklahoma - Health | |
| 10 | Sciences Center | \$22,400,000.00 |
| 11 | c. Oklahoma State University - Stillwater | |
| 12 | Campus | \$22,328,000.00 |
| 13 | d. Oklahoma State University - | |
| 14 | Agriculture Experiment Station | \$4,000,000.00 |
| 15 | e. Oklahoma State University - Veterinary | |
| 16 | Medicine | \$5,075,000.00 |
| 17 | f. Oklahoma State University - Technical | |
| 18 | Branch - Okmulgee | \$4,118,000.00 |
| 19 | g. Oklahoma State University - Technical | |
| 20 | Branch - Oklahoma City | \$3,868,000.00 |
| 21 | h. Oklahoma State University - College of | |
| 22 | Osteopathic Medicine | \$3,750,400.00 |
| 23 | i. University of Central Oklahoma | \$7,765,106.00 |
| 24 | j. East Central University | \$5,869,000.00 |

1	k. Northeastern State University	\$8,813,400.00
2	l. Northwestern Oklahoma State University	\$2,860,000.00
3	m. Southeastern Oklahoma State University	\$5,586,900.00
4	n. Southwestern Oklahoma State University	
5	- Weatherford Campus	\$6,297,500.00
6	o. Southwestern Oklahoma State University	
7	- Sayre Campus	\$300,000.00
8	p. Cameron University	\$10,200,000.00
9	q. Langston University	\$2,842,500.00
10	r. Oklahoma Panhandle State University	\$2,016,500.00
11	s. University of Science and Arts of	
12	Oklahoma	\$3,104,376.00
13	t. University Center at Tulsa	\$15,000,000.00
14	u. Carl Albert State College	\$3,021,000.00
15	v. Connors State College	\$2,055,100.00
16	w. Eastern Oklahoma State College	\$2,007,600.00
17	x. Murray State College	\$2,045,000.00
18	y. Northeastern Oklahoma Agricultural and	
19	Mechanical College	\$2,410,400.00
20	z. Northern Oklahoma College	\$1,206,500.00
21	aa. Oklahoma City Community College	\$6,152,100.00
22	bb. Redlands Community College	\$2,003,900.00
23	cc. Rogers State College	\$5,035,100.00
24	dd. Rose State College	\$6,158,600.00

1	ee.	Seminole Junior College	\$2,125,924.00
2	ff.	Tulsa Junior College	\$22,333,800.00
3	gg.	Western Oklahoma State College	\$2,500,000.00
4	hh.	Enid Higher Education Program	\$619,123.00
5	ii.	Enid Higher Education Program - this	
6		allocation is contingent upon a	
7		\$2,200,000.00 match by the local	
8		community	\$1,980,877.00
9	jj.	University Center of Southern Oklahoma	\$619,123.00
10	kk.	Muskogee Higher Education Program	\$619,123.00
11	ll.	Idabel Higher Education Program	\$619,123.00
12	mm.	Tulsa Medical Center debt retirement	\$6,600,000.00
13	nn.	Food Processing Research Center -	
14		Stillwater	\$14,000,000.00
15	oo.	Natural History Museum - Norman	\$15,000,000.00
16	2.	Oklahoma Department of Career and	
17		Technology Education for expenditure as	
18		follows:	
19	a.	Instructional equipment for technology	
20		center schools, including inmate	
21		training facilities	\$2,300,000.00
22	b.	Mid-Del Technology Center	\$200,000.00
23	c.	Okmulgee County Technology Center	\$3,200,000.00
24	d.	Southwest Technology Center	\$1,500,000.00

1	e. Wes Watkins Technology Center	\$1,000,000.00
2	f. Western Oklahoma Technology Center	\$2,000,000.00
3	3. Oklahoma Water Resources Board	\$5,700,000.00
4	4. Oklahoma Tourism and Recreation Department	
5	for the following purposes: roads, park	
6	improvements, sewage treatment, facility	
7	rehab, equipment, trails, park visitor	
8	centers, welcome centers, Will Rogers	
9	Museum and other museums, Oklahoma Jazz	
10	Hall of Fame and Quartz Mountain Arts and	
11	Conference Center	\$18,000,000.00
12	5. Oklahoma Historical Society	\$1,700,000.00
13	6. Department of Human Services	\$5,300,000.00
14	7. Department of Corrections for the	
15	following purposes: drug offender work	
16	camps and meat processing facility at	
17	Jackie Brannon	\$6,500,000.00
18	8. State Department of Health	\$7,500,000.00
19	9. State Department of Agriculture for	
20	purposes of dry fire hydrants and rural	
21	fire equipment	\$1,000,000.00
22	10. Office of Management and Enterprise	
23	Services	\$4,300,000.00
24	11. Oklahoma Military Department	\$800,000.00

- 1 12. Oklahoma School of Science and
2 Mathematics. Said amount shall not be
3 used for purposes of subsection D of
4 Section 168.3 of Title 73 of the Oklahoma
5 Statutes \$4,500,000.00
- 6 13. Office of Management and Enterprise
7 Services for expenditure for
8 telecommunications as recommended by the
9 State Data Processing and
10 Telecommunications Advisory Committee \$14,000,000.00
- 11 14. Oklahoma Department of Libraries for
12 expenditure for matching grant program for
13 handicapped access \$500,000.00
- 14 15. Oklahoma Department of Veterans Affairs
15 for the following purposes: New facility
16 at Norman, computer programming-mapper
17 system, and improvements at the facilities
18 at Ardmore, Sulphur, Talihina, Clinton,
19 Claremore and Okmulgee \$16,432,500.00
- 20 16. Department of Mental Health and Substance
21 Abuse Services \$6,400,000.00

22 If the full amount of funding for any project specified in this
23 subsection is not necessary for provision of such project, any
24 remaining available funds shall be allocated by the Commission to

1 the full funding of other projects listed in this subsection or to
2 the Oklahoma Building Bonds of 1992 Fund for appropriation by the
3 Legislature for other capital projects.

4 B. The Commission, acting for and on behalf of the State of
5 Oklahoma, shall issue, sell and deliver as hereinafter provided
6 "Oklahoma Building Bonds of 1992" in a total principal amount of
7 Three Hundred Fifty Million Dollars (\$350,000,000.00). It is hereby
8 expressly provided and pledged for the benefit of the purchasers,
9 owners and holders of said bonds that the tax on each package of
10 cigarettes levied by Section 302 of Title 68 of the Oklahoma
11 Statutes, constituting the remainder of revenue available from the
12 revenues lawfully levied and collected by the State of Oklahoma on
13 the sale of cigarettes not already committed to other obligations of
14 the State of Oklahoma, and the tax levy on cigarettes pursuant to
15 Sections 302-2 and 302-4 of Title 68 of the Oklahoma Statutes, or so
16 much as may be necessary, shall be devoted irrevocably to the
17 payment and discharge of the interest on, and the principal of, the
18 bonds issued hereunder as the same become due, and to create an
19 adequate reserve to assure such payments when due; and said revenues
20 shall be, and hereby are, irrevocably pledged for such purposes.

21 C. The Commission shall perform other duties as directed by the
22 Legislature.

23 SECTION 6. This act shall become effective upon certification
24 of election returns favoring passage of the Constitutional Amendment

1 proposed in Enrolled Senate Joint Resolution No. 15 of the 1st
2 Session of the 55th Oklahoma Legislature.

3

4 55-1-384 EB 1/21/2015 6:12:33 PM

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24