

STATE OF OKLAHOMA

2nd Session of the 43rd Legislature (1992)

SENATE BILL NO. 993

BY: SHEDRICK

AS INTRODUCED

AN ACT RELATING TO PUBLIC FINANCE AND SCHOOLS;

AMENDING 70 O.S. 1991, SECTION 3952, WHICH RELATES TO THE OKLAHOMA STATE REGENTS' ENDOWMENT TRUST FUND; VITALIZING HOUSE JOINT RESOLUTION NO. 1076 OF THE 2ND SESSION OF THE 43RD OKLAHOMA LEGISLATURE WHICH WOULD ADD A NEW SECTION 43 TO ARTICLE X OF THE OKLAHOMA CONSTITUTION; CREATING THE OKLAHOMA HIGHER EDUCATION BONDS COMMISSION; SPECIFYING MEMBERSHIP OF COMMISSION; PROVIDING FOR APPOINTMENTS AND PROCEDURES; ESTABLISHING QUORUM AND SELECTION OF A CHAIR; DESIGNATING CHANCELLOR OF HIGHER EDUCATION AS SECRETARY; DIRECTING CERTAIN STAFF ASSISTANCE; PROHIBITING ADDITIONAL COMPENSATION TO MEMBERS; REQUIRING ATTORNEY GENERAL TO PROVIDE ALL LEGAL REPRESENTATION TO COMMISSION; PROHIBITING EMPLOYMENT OF PRIVATE ATTORNEYS BY COMMISSION; REQUIRING CERTAIN ANNUAL REPORT AND FILING OF SUCH REPORT; MODIFYING USE OF OKLAHOMA STATE REGENTS' ENDOWMENT TRUST FUND; PROVIDING FOR CODIFICATION; AND DECLARING AN EMERGENCY.

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 57.300 of Title 62, unless there is created a duplication in numbering, reads as follows:

It is the intent and purpose of this act to vitalize the constitutional amendment identified as House Joint Resolution No. 1076 of the 2nd Session of the 43rd Oklahoma Legislature, if, as and when the same shall be approved by the people of the State of Oklahoma.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 57.301 of Title 62, unless there is created a duplication in numbering, reads as follows:

A. There is hereby created the Oklahoma Higher Education Bonds Commission. The Commission shall consist of the following members:

1. One member appointed by the President Pro Tempore of the Senate of the State of Oklahoma;

2. One member appointed by the Speaker of the House of Representatives of the State of Oklahoma;

3. The chairs of the committees of the Senate and House to which are assigned the primary responsibilities with respect to substantive education matters before the Oklahoma State Legislature;

4. The chairs of the Senate and House committees to which are assigned the primary responsibilities with respect to fiscal and appropriation matters before the Oklahoma State Legislature;

5. The Director of State Finance;

6. A member of the Board of Regents for the Oklahoma Agricultural and Mechanical Colleges to be appointed by that body;

7. A member of the Board of Regents of the University of Oklahoma to be appointed by that body;

8. Two members selected from the governing boards of junior colleges that are members of The Oklahoma State System of Higher Education to be appointed by the Governor;

9. One member selected from the governing boards of the regional universities that are members of The Oklahoma State System of Higher Education to be appointed by the Governor; and

10. One member selected from any of the governing boards of institutions within The Oklahoma State System of Higher Education to be appointed by the Governor.

B. Gubernatorial appointments will be subject to confirmation by the Senate. Appointed members of the Commission shall serve at the pleasure of the appointing entity. Vacancies shall be filled by the appointing entity.

C. The Chancellor of Higher Education shall serve as Secretary of the Commission in a non-voting capacity. The Office of the State Regents for Higher Education shall provide staff assistance to the Commission. The chair of the Commission shall rotate yearly between the appointee of the Speaker of the House of Representatives and the appointee of the President Pro Tempore of the Senate.

D. A majority of the members of the Commission shall constitute a quorum. The Commission shall be subject to the Open Meeting Act, Section 301 et seq. of Title 25 of the Oklahoma Statutes, and the Open Records Act, Section 24A.1 et seq. of Title 51 of the Oklahoma Statutes.

E. The members of the Commission shall receive no additional compensation for their services as members of the Commission or for the performance of any duty in connection with the Commission.

F. Each member of the Commission shall be allowed necessary travel expenses as may be approved by the Commission pursuant to the State Travel Reimbursement Act, Section 500.1 et seq. of Title 74 of the Oklahoma Statutes.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 57.302 of Title 62, unless there is created a duplication in numbering, reads as follows:

The Attorney General of the State of Oklahoma shall provide all legal representation for the Oklahoma Higher Education Bonds Commission. The Commission shall not employ a private attorney or attorneys.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 57.303 of Title 62, unless there is created a duplication in numbering, reads as follows:

A. The Oklahoma Higher Education Bonds Commission shall review and report to the public annually on the following:

1. Implementation of the master plan for capital improvements;
2. Implementation of the Distinguished Faculty Salaries

Program;

3. Issuance of obligations, including the extent to which the purpose of the issue has been realized and the disposition of the proceeds derived from the issue;

4. Amounts paid into the Oklahoma Higher Education Bonds Sinking Fund; and

5. Total outstanding indebtedness.

B. The Commission shall file its annual report with the Governor, the President Pro Tempore of the Senate, the Speaker of the House of Representatives, and the Director of the Department of Libraries.

SECTION 5. AMENDATORY 70 O.S. 1991, Section 3952, is amended to read as follows:

Section 3952. A. The principal held in the Oklahoma State Regents' Endowment Trust Fund shall be made available for the establishment of and allocation to endowment accounts within the Trust Fund for the benefit of individual public institutions of higher education within this state.

B. In the event House Joint Resolution No. 1076 of the 2nd Session of the 43rd Oklahoma Legislature is passed by a vote of the people, and pursuant thereto funds are available and designated for deposit in the Oklahoma State Regents' Endowment Trust Fund, then said funds shall be available and may be used for salaries for distinguished faculty pursuant to this act and rules adopted by the Oklahoma State Regents for Higher Education.

C. Investment return on each of the accounts constituting the principal of the Trust Fund shall be allocated for the benefit of individual institutions for which the accounts are respectively designated and shall be remitted to such institutions for the support of endowed chairs, professorships, lectureships and positions for artists in residence approved by the Oklahoma State Regents for Higher Education. The State Regents shall develop, adopt, and publish the criteria to be used in the evaluation of proposals for support of endowed chairs, professorships, lectureships and positions for artists in residence on a competitive and priority basis according to merit. Such criteria shall be based on the goal of improving the overall quality of education and research. The endowed chairs, distinguished professorships, lectureships and positions for artists in residence should be established in academic areas which will contribute to the enhancement of the overall cultural, business, and/or economic development of Oklahoma. The individually endowed chairs and professorships should be established in areas for which the institution has on-going, approved academic programs. Any trust income and any investment return on any amount in the Trust Fund not designated for remittance to an institution as provided in Section 3951 et seq. of this title shall become part of the principal of the Trust Fund.

~~C.~~ D. Trust Fund endowment accounts created pursuant to subsection A of this section shall be in a minimum amount of Two

Hundred Fifty Thousand Dollars (\$250,000.00) for the support of endowed chairs, a minimum amount of Fifty Thousand Dollars (\$50,000.00) for the support of professorships or a minimum amount of Twenty-five Thousand Dollars (\$25,000.00) for lectureships and artists in residence. The number and size of endowment accounts shall be determined by the amount of matching monies that the institution commits to endowment accounts. To be initially eligible for an endowment account within the Trust Fund, an institution shall have on deposit as provided in subsection ~~F~~ G of this section an amount equal to at least one-half (1/2) of the requested account. Provided, the regional and special purpose universities and two-year institutions in The Oklahoma State System of Higher Education shall have priority in qualifying for the endowment accounts of Twenty-five Thousand Dollars (\$25,000.00) for lectureships and positions for artists in residence.

~~D.~~ E. The total matching requirement shall be equal to the amount of the requested endowment account in each instance and shall be deposited within a period to be established by the State Regents. Said period shall not be greater than three (3) years in length; provided, an institution may deposit in an endowment account matching monies in an amount which exceeds the required matching amount. Any endowment account for which an institution fails to provide the full required matching amount within the time established shall be available to be awarded to another public institution of higher education. No investment return shall be remitted to any institution from an endowment account before the institution has deposited the total required match for the endowment account as provided in subsection ~~F~~ G of this section.

~~E.~~ F. Monies which an institution provides for matching purposes must originate from monies contributed to the institution after July 1, 1988, from private sources, which monies are specifically designated by the private source to be used for

purposes specified in this act, or from private contributions made after July 1, 1988, to a foundation for which the sole beneficiary is that institution, which monies are specifically designated by the private contributor to be used for purposes specified in this act, and may not be drawn from allocations of appropriated funds received from the State Regents, proceeds of fees or charges authorized by law, or from federal grants or reimbursements.

~~F.~~ G. Any institution which provides matching monies shall deposit the matching monies in one of the following:

1. The Trust Fund;
2. An endowment matching fund of the institution; or
3. A fund of a foundation whose sole beneficiary is that institution.

All investment return on matching monies which are deposited in a fund specified in paragraphs 2 or 3 of this subsection shall be retained in the fund. If such matching monies are not deposited in the Trust Fund, the institution shall submit a report annually to the State Regents in which the investments of the matching funds, earned interest and income, including capital gains and losses, and expenditures including the costs of managing the investments are detailed. Diminution of the original matching sum may at the discretion of the State Regents constitute a forfeiture of the state-origin monies which the private-origin institutional monies were to match.

~~G.~~ H. An institution may recommend to the State Regents that monies benefiting the institution in an endowment account pursuant to the purposes of the Trust Fund be dedicated to an alternative academic discipline or area. If the State Regents approve such action, the investment return from the endowment account may be utilized for such program.

SECTION 6. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby

declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

43-2-1790

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