

ENGROSSED HOUSE
BILL NO. 1781

By: Hamilton and Steidley of
the House

and

Haney and Hobson of the
Senate

(economic development - specifying expenditures - reports
and audits - effective date - emergency)

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

OKLAHOMA DEPARTMENT OF COMMERCE

SECTION 1. For the fiscal year ending June 30, 1996, the
Oklahoma Department of Commerce shall budget all appropriated funds
in the following categories and amounts:

<u>Category</u>	<u>State</u>	<u>Total</u>
Administrative Support	\$0.00	\$0.00
Business Financing	\$0.00	\$0.00
Business Services	\$0.00	\$0.00
Community Investment	\$0.00	\$0.00
Global Trade	\$0.00	\$0.00
Information Services	\$0.00	\$0.00
Marketing and Sales	<u>\$0.00</u>	<u>\$0.00</u>
Total	\$0.00	\$0.00

SECTION 2. Of the funds appropriated by Section ___ of _____
Bill No. ___ of the 1st Session of the 45th Oklahoma Legislature,
the following amounts shall be expended in the following categories
from within the categories and amounts listed in Section 1 of this
act:

ORIGINS	\$0.00
Community Action Agencies:	\$0.00
Action, Inc.	
Big Five Community Services, Inc.	
Community Action Agency of Oklahoma City and Oklahoma/Canadian Counties, Inc.	
Community Development Support Association	
Cookson Hills Community Action Foundation	
Deep Fork Community Action Foundation	
Delta Community Action Foundation	
Great Plains Improvement Foundation	
INCA Community Services, Inc.	
KiBois Community Action Foundation	
Little Dixie Community Action Agency	
Muskogee County Community Services Program	
Northeast Oklahoma Community Action Agency	
Opportunities, Inc.	
Rural Enterprises Community Action Program	
Southwest Oklahoma Community Action Group	
Tulsa Community Action Agency	
United Community Action Program	
Wa-Ro-Ma Tri-County Community Action Foundation, Inc.	

Washington/Nowata Counties	
Community Action Foundation, Inc.	
Washita Valley Community Action	
Council	
Inventors and Entrepreneurs Assistance Program	\$0.00
Minority Business Development Program Revolving	
Fund	\$0.00
Rural Enterprise Inc.	\$0.00
Substate Planning Districts:	\$0.00
Association of Central Oklahoma	
Governments	
Association of South Central	
Oklahoma Governments	
Central Oklahoma Economic	
Development District	
Eastern Oklahoma Economic	
Development District	
Grand Gateway Economic Development	
Association	
Indian Nation Council of	
Governments	
Kiamichi Economic Development	
District of Oklahoma	
Northern Oklahoma Development	
Association	
Oklahoma Economic Development	
Association	
Southern Oklahoma Development	
Association	
Southwestern Oklahoma Development	
Authority	
Little Dixie Community Action	

Agency for the Statewide Youth	
Restitution Program	\$0.00
Community Development Centers Program	\$0.00
Southeastern Oklahoma State	
University for the Statewide	
Small Business Development	
Centers Program	\$0.00
Rural Regional Incubator	
Program-Kiamichi Economic	
Development District of Oklahoma	\$0.00
Oklahoma Community Institute	\$0.00

SECTION 3. The Oklahoma Department of Commerce shall expend so much thereof as herein appropriated to accomplish contractual responsibilities with Rural Enterprises, Inc. for the purpose of providing financial and technical assistance for economic development to area businesses. Contractor shall make quarterly financial reports to the Oklahoma Department of Commerce indicating the purposes for which these funds have been spent. Contractor shall cooperate with the Oklahoma Department of Commerce to improve industrial technology transfer, assist expansion of existing industry and to disseminate all pertinent information. Contractor shall submit an annual audit as required by the Oklahoma Department of Commerce. Any contracts authorized under this appropriation shall be exempt from the Central Purchasing Act.

SECTION 4. The Oklahoma Department of Commerce shall make funds available to all qualifying Community Action Agencies as determined by the Department to support the development of local communities. The Department shall set accounting and procedural guidelines for allocating said funds. The Department may require the agencies which receive said funds to provide a thirty percent (30%) matching share in cash or in an in-kind contribution, or both such cash and

in-kind contribution. The allocation memorialized by contract shall be exempt from the Central Purchasing Act.

SECTION 5. A. Of the _____ Dollars (\$0.00) allocated to the Department of Commerce for the purpose of funding Community Action Agencies in Section __ of this act, _____ Dollars (\$0.00) shall be distributed by formula to the Headstart Programs operated by Community Action Agencies less an amount to those Community Action Agencies who do not administer the Headstart Program. This amount shall be based on the regular formula. The sum of _____ Dollars (\$0.00) of the money distributed to the Headstart Programs and as provided by subsection C of this section shall be expended exclusively for the purpose of implementing the Headstart Programs. The distribution of the remaining _____ Dollars (\$0.00) shall be based on the regular formula. The Oklahoma Department of Commerce shall determine the Headstart Program and the regular formulas by referencing historical data such as poverty population, elderly poor, geographic service area and criteria used by the U.S. Department of Health and Human Services in the distribution of federal funds appropriated for the Headstart Program.

B. From within the funds allocated in Section __ of this act, the Oklahoma Department of Commerce may establish a Headstart Coordination Program to coordinate the Headstart activities operated by community action agencies. The Department may establish a contract with the Oklahoma Association of Community Action Agencies. The contractor shall submit an annual report as required by the rules and regulations of the Oklahoma Department of Commerce. The contract shall be exempt from the Central Purchasing Act.

C. Pursuant to the provisions of the Administrative Procedures Act, the Oklahoma Department of Commerce, in coordination with the Headstart Coordination Program established within the Oklahoma

Association of Community Action Agencies, is hereby authorized to establish performance criteria for Headstart Programs that receive state funds from the Department. The performance criteria shall be incorporated into Headstart Program contracts.

D. The Department of Commerce may expend up to five percent (5%) of the total funds allocated in this section for Headstart Programs to administer, review, monitor and implement the performance criteria established pursuant to subsection C of this section.

SECTION 6. The Oklahoma Department of Commerce shall expend so much thereof as may be necessary to perform the substate multicounty regional planning functions and responsibilities imposed upon the Department by law. The Department may require the agencies to which the Department grants said appropriated funds to provide a thirty percent (30%) matching share in cash or in an in-kind contribution, or both such cash and in-kind contribution.

Existing substate planning districts presently meeting requirements of the Oklahoma Department of Commerce pursuant to the provisions of this section shall be allocated the following amounts:

DISTRICT NUMBERS	AMOUNT
1 - Grand Gateway Economic Development Association (Craig, Delaware, Mayes, Nowata, Ottawa, Rogers and Washington Counties)	\$0.00
2 - Eastern Oklahoma Development District (Adair, Cherokee, McIntosh, Muskogee, Okmulgee, Sequoyah and Wagoner Counties)	\$0.00
3 - Kiamichi Economic Development District of Oklahoma (Choctaw, Haskell, Latimer, LeFlore, McCurtain, Pittsburg and	

- Pushmataha Counties) \$0.00
- 4 - Southern Oklahoma Development
Association (Atoka, Bryan,
Carter, Coal, Garvin, Johnston,
Love, Marshall, Murray and Pontotoc
Counties) \$0.00
- 5 - Central Oklahoma Economic
Development District (Hughes,
Lincoln, Okfuskee, Pawnee, Payne,
Pottawatomie and Seminole Counties) \$0.00
- 6 - Indian Nations Council of
Governments (Creek, Osage and
Tulsa Counties) \$0.00
- 7 - Northern Oklahoma Development
Association (Alfalfa, Blaine,
Garfield, Grant, Kay, Kingfisher,
Major and Noble Counties) \$0.00
- 8 - Association of Central Oklahoma
Governments (Canadian, Cleveland,
Logan and Oklahoma Counties) \$0.00
- 9 - Association of South Central
Oklahoma Governments (Caddo,
Comanche, Cotton, Grady, Jefferson,
McClain, Stephens and Tillman
Counties) \$0.00
- 10 - South Western Oklahoma Development
Authority (Beckham, Custer, Greer,
Harmon, Jackson, Kiowa, Roger Mills
and Washita Counties) \$0.00
- 11 - Oklahoma Economic Development
Association (Beaver, Cimarron,
Dewey, Ellis, Harper, Texas, Woods

and Woodward Counties) \$0.00

TOTAL \$0.00

The Oklahoma Department of Commerce shall establish eligibility requirements that substate multicounty planning districts must meet in order to receive grants from appropriations to the Oklahoma Department of Commerce. The primary purpose of the substate multicounty planning districts shall include but not be limited to the enhancement of planning and technical assistance to local governments in the areas of community development, infrastructure and environmental needs.

At least two-thirds (2/3) of the voting membership of the board of each substate planning district shall be composed of the elected officials of conservation districts, incorporated towns, cities, or counties within the planning jurisdiction, or the designees of said officials.

SECTION 7. The duties and compensation of employees, not otherwise prescribed by law, necessary to perform the duties imposed upon the Oklahoma Department of Commerce by law shall be set by the Executive Director. The salary of the Executive Director shall not exceed Ninety-four Thousand Five Hundred Seventy-five Dollars (\$94,575.00) per annum, payable monthly for the fiscal year ending June 30, 1996. The Oklahoma Department of Commerce for the fiscal year ending June 30, 1996, shall be subject to the following budgetary limitations on full-time-equivalent employees and expenditures excluding expenditures for capital and special projects, except as may be authorized pursuant to the provisions of Section 3603 of Title 74 of the Oklahoma Statutes:

<u>Budgetary Limitation</u>	<u>Amount</u>
Full-time-equivalent Employees	0.0
Lease-Purchase Agreements	\$0.00

SECTION 8. All funds appropriated by Section ___ of _____ Bill No. ___ of the 1st Session of the 45th Oklahoma Legislature may be

used and expended in conjunction or cooperation with any federal agency or instrumentality pursuant to such terms and conditions as may be necessary to obtain grants or federal aid assistance in accordance with state law. The Oklahoma Department of Commerce is hereby authorized to collect, receive, and use any and all grants or reimbursements made available to it through any agency or instrumentality of the federal government. Such funds shall be deposited in the State Treasury and disbursed in accordance with the agreements between the Oklahoma Department of Commerce and applicable federal agencies or instrumentalities.

SECTION 9. The Oklahoma Department of Commerce may expend so much as herein appropriated as may be necessary to accomplish contractual responsibilities with Southeastern Oklahoma State University for its statewide Small Business Development Centers Network, to be used in conjunction with receipted federal funds for the network. The network shall serve as a resource and advisor to the Department in its efforts to provide business counseling, more fully developed managerial skills, technology transfer, business-related educational materials and related services. The contractor shall submit an annual work budget program and quarterly expenditure reports. The contractor shall submit an annual audit as required by the Department of Commerce which may be paid from allocated, appropriated funds.

SECTION 10. The Oklahoma Department of Commerce may expend so much as herein appropriated as may be necessary to accomplish contractual responsibilities with Little Dixie Community Action Agency, Contractor, for the purpose of coordinating and operating a statewide juvenile restitution program and in order to provide state supplement to federal funds received to operate the program. The contractor shall submit an annual budget work program which must receive prior approval of the Department. The contractor shall submit monthly expenditures reports. The Department may disallow

expenditures and withhold funds accordingly, if expenditure reports reflect noncompliance with the approved work budget program. The contractor must provide an annual audit, as directed by the Oklahoma Department of Commerce, which may be paid from allocated, appropriated funds. Contracts covered in this section shall be subject to the provisions of the Competitive Bidding Act as set forth in Section 101 et seq. of Title 61 of the Oklahoma Statutes.

SECTION 11. The Oklahoma Department of Commerce shall serve as the lead state agency in establishing a community development strategy and plan for the state. The Department shall have the authority to establish and administer community development programs such as the certified communities program; the Department has the authority to administer such programs directly or by contract with qualified community development entities.

In establishing such programs, the Department is empowered to determine needs, priorities or funding limits within the limits for such programs imposed by the Legislature. The Department may promulgate rules and regulations in accordance with the Administrative Procedures Act in its discretion if necessary to clarify such programs.

The Department shall establish and develop or cause to be developed individual program budgets; work plans; and, audits of each community development program established and administered.

SECTION 12. The Oklahoma Department of Commerce shall expend so much as herein appropriated as may be necessary to accomplish contractual responsibilities for the creation of the community development centers program with emphasis on the aging and elderly. The Department may contract with communities or organizations only after:

1. An applicant has submitted an approved application;
2. An applicant has demonstrated through experience and managerial expertise capabilities of constructing or causing

construction or renovation of facilities and management of community development facilities;

3. An applicant has demonstrated that it can provide financial management capacity and responsibility to manage a program for community development centers for the aging or elderly;

4. An applicant has demonstrated experience in establishing and managing programs to enhance the quality of life of the aging and elderly;

5. The Department of Commerce has developed, adopted and published additional criteria, ongoing programmatic guidance and definitions through rules;

6. A competitive bidding process has been conducted by the Department.

The Department may solicit donations, apply for federal grants or require matching funds to enhance the budget for the community development centers program. Funds expended for the program from the Community Development Centers Program Fund shall be exempt from the requirements of the Central Purchasing Act, Section 85.1 et seq. of Title 74 of the Oklahoma Statutes.

SECTION 13. The Oklahoma Department of Commerce may expend so much as herein appropriated to establish a community institute for community development. The purpose of the institute will be: to provide a one-stop resource/referral center for communities needing assistance; develop public policy recommendations that affect Oklahoma Communities; and provide training and technical assistance for people who work in communities.

SECTION 14. A. The Oklahoma Department of Commerce shall expend so much as herein appropriated to accomplish contractual responsibilities with the Kiamichi Economic Development District of Oklahoma for the purpose of establishing a Rural Regional Incubator Program, which shall serve as a model program providing assistance to new small businesses. The services provided by the Rural

Regional Incubator Program shall include but not be limited to: business plan and pro forma construction, permit and license assistance, assistance in securing a client base, employee recruitment and training and advertising and marketing assistance. The Department shall establish performance standards for this program in the contract.

B. The Oklahoma Department of Commerce, in cooperation with the Oklahoma Business Incubators Association and the State Department of Vocational and Technical Education, shall conduct a review of the effectiveness and economic impact of publicly funded business incubator programs in the state and prepare a report. The report should contain a review of existing business incubators and the coordination efforts among various public and private entities. A copy of the report shall be submitted to the Economic Development Committees of the House of Representatives and the Senate and the House of Representatives Special Committee on Small Business by February 7, 1996.

SECTION 15. The Oklahoma Employment Security Commission shall transfer an amount not to exceed Eighty Thousand Dollars (\$80,000.00) from the Oklahoma Employment Security Commission Revolving Fund to the Oklahoma Department of Commerce Revolving Fund created in Section 5012 of Title 74 of the Oklahoma Statutes for the purposes set forth therein.

SECTION 16. The appropriations made by this act shall be subject to fiscal year limitations and may be encumbered through June 30, 1996. Any unexpended funds remaining after November 15, 1996, shall lapse and be transferred to the credit of the proper fund for the then current fiscal year.

SECTION 17. This act shall become effective July 1, 1995.

SECTION 18. 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.

Passed the House of Representatives the 29th day of February, 1996.

Speaker of the House of Representatives

Passed the Senate the ____ day of _____, 1996.

President of the Senate