

ENGROSSED SENATE  
BILL NO. 786

By: Morgan and Horner of the  
Senate

and

Wells of the House

[ higher education - Oklahoma State Regents' Endowment  
Fund - Langston University - effective date -  
emergency ]

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

SECTION 1. AMENDATORY 70 O.S. 1991, Section 3952, as amended by Section 25, Chapter 324, O.S.L. 1992 (70 O.S. Supp. 1998, 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. 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. 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 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. 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 of this section.

E. 1. 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.

2. The State Regents may accept the transfer of endowed chairs and any associated funds from the MOST Eminent Scholars and Research Equipment Account created pursuant to the provisions of Section 5060.13 of Title 74 of the Oklahoma Statutes for the purpose of the establishment as endowed chairs in the Oklahoma State Regents' Endowment Trust Fund. Such endowed chairs shall be subject to and administered in accordance with the statutes and regulations applicable to the Trust Fund; provided, however, the monies provided by an institution for matching purposes may have originated from private monies contributed to the institution or a foundation before or after July 1, 1988.

F. 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. 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.

H. There is hereby created an endowment account for Langston University within the Oklahoma State Regent's Endowment Fund. The account shall consist of private funds and funds appropriated by the Legislature. Other provisions of this section notwithstanding, the distributions of the return on the account may be used for any purpose approved by the Board of Regents for the Oklahoma Agricultural and Mechanical Colleges acting on behalf of Langston University.

SECTION 2. This act shall become effective July 1, 1999.

SECTION 3. 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 Senate the 1st day of March, 1999.

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President of the Senate

Passed the House of Representatives the \_\_\_\_ day of \_\_\_\_\_ ,  
1999.

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Speaker of the House of  
Representatives