

STATE OF OKLAHOMA

1st Session of the 50th Legislature (2005)

HOUSE BILL 1942

By: Shelton

AS INTRODUCED

An Act relating to education; amending Section 14, Chapter 58, O.S.L. 2003 (3A O.S. Supp. 2004, Section 713), which relates to the Oklahoma Education Lottery Trust Fund; modifying distribution of monies in the Oklahoma Education Lottery Trust Fund; creating the Teacher Incentive Pay Program; directing the State Board of Education to select teachers for participation in Program; listing criteria for selection; providing for a salary increase bonus for teachers participating in the Program; prohibiting inclusion of salary increase bonus in certain calculations; directing the Board to promulgate rules; creating the Teacher Recruitment Incentive Program; stating legislative intent to establish the Program for certain students; authorizing the Oklahoma State Regents for Higher Education to make certain payments; establishing payment limits and conditions; providing for the execution of contracts; allowing contracts for the administration of Program; providing for reduction in payments in certain cases; creating the School Supply Fund Program; providing for codification; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY Section 14, Chapter 58, O.S.L. 2003 (3A O.S. Supp. 2004, Section 713), is amended to read as follows:

Section 713. A. All gross proceeds shall be the property of the Oklahoma Lottery Commission. From its gross proceeds, the Commission shall pay the operating expenses of the Commission. At least forty-five percent (45%) of gross proceeds shall be made available as prize money. However, the provisions of this subsection shall be deemed not to create any lien, entitlement,

cause of action, or other private right, and any rights of holders of tickets or shares shall be determined by the Commission in setting the terms of its lottery or lotteries. For each fiscal year, net proceeds shall equal at least thirty-five percent (35%) of the gross proceeds. However, for the purpose of repaying indebtedness issued pursuant to Section ~~33~~ 732 of this ~~act~~ title, for the first two (2) full fiscal years and any partial first fiscal year of the Commission, net proceeds need only equal at least thirty percent (30%) of the gross proceeds. All of the net proceeds shall be transferred to the Oklahoma Education Lottery Trust Fund as provided in subsection B of this section.

B. There is hereby created in the State Treasury a fund to be designated the "Oklahoma Education Lottery Trust Fund". On or before the fifteenth day of each calendar quarter, the Commission shall transfer to the State Treasurer, for credit to the Oklahoma Education Lottery Trust Fund, the amount of all net proceeds accruing during the preceding calendar quarter. Expenditures from the fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of State Finance for approval and payment.

Upon their deposit into the State Treasury, any monies representing a deposit of net proceeds shall then become the unencumbered property of this state, and neither the Commission nor the board of trustees shall have the power to agree or undertake otherwise. The monies shall be invested by the State Treasurer in accordance with state investment practices. All earnings attributable to such investments shall likewise be the unencumbered property of the state and shall accrue to the credit of the fund.

C. Monies in the Oklahoma Education Lottery Trust Fund shall only be appropriated as follows:

1. Forty-five percent (45%) for the following:

- a. kindergarten through twelfth grade public education, including but not limited to compensation and benefits for public school teachers and support employees, and
- b. early childhood development programs, which shall include but not be limited to costs associated with prekindergarten and full-day kindergarten programs;

2. ~~Forty-five~~ Thirty-five percent ~~(45%)~~ (35%) for the

following:

- a. tuition grants, loans and scholarships to citizens of this state to enable such citizens to attend colleges and universities located within this state, regardless of whether such colleges and universities are ~~owned or operated by~~ under the control of the Oklahoma State Regents for Higher Education, or to attend institutions operated under the authority of the Oklahoma Department of Career and Technology Education, including but not limited to such programs as the Oklahoma Higher Learning Access Program; provided such tuition grants, loans and scholarships shall not be made to a citizen of this state to attend a college or university which is not accredited by the Oklahoma State Regents for Higher Education,
- b. construction of educational facilities for elementary school districts, independent school districts, the Oklahoma State System of Higher Education, and career and technology education,
- c. capital outlay projects for elementary school districts, independent school districts, the Oklahoma State System of Higher Education, and career and technology education,
- d. technology for public elementary school district, independent school district, state higher education,

and career and technology education facilities, which shall include but not be limited to costs of providing to teachers at accredited public institutions who teach levels kindergarten through twelfth grade, personnel at technology centers under the authority of the Oklahoma State Department of Career and Technology Education, and professors and instructors within the Oklahoma State System of Higher Education, the necessary training in the use and application of computers and advanced electronic instructional technology to implement interactive learning environments in the classroom and to access the state-wide distance learning network and costs associated with repairing and maintaining advanced electronic instructional technology,

- e. endowed chairs for professors at institutions of higher education ~~operated by~~ which are a part of the Oklahoma State System of Higher Education, and
- f. programs and personnel of the Oklahoma School for the Deaf and the Oklahoma School for the Blind;

3. Five percent (5%) to the School Consolidation and Assistance Fund; ~~and~~

4. Five percent (5%) to the Teachers' Retirement System Dedicated Revenue Revolving Fund;

5. Three percent (3%) for the Teacher Incentive Pay Program created in Section 2 of this act;

6. Two percent (2%) for the Teacher Recruitment Incentive Program created in Section 3 of this act; and

7. Five percent (5%) for the School Supply Fund Program created in Section 4 of this act.

D. The Legislature shall appropriate funds from the Oklahoma Education Lottery Trust Fund only for the purposes specified in

subsection C of this section. Even when funds from the trust fund are used for these purposes, the Legislature shall not use funds from the trust fund to supplant or replace other state funds supporting common education, higher education, or career and technology education.

E. In order to ensure that the funds from the trust fund are used to enhance and not supplant funding for education, the State Board of Equalization shall examine and investigate appropriations from the trust fund each year. At the meeting of the State Board of Equalization held within five (5) days after the monthly apportionment in February of each year, the State Board of Equalization shall issue a finding and report which shall state whether appropriations from the trust fund were used to enhance or supplant education funding. If the State Board of Equalization finds that education funding was supplanted by funds from the trust fund, the Board shall specify the amount by which education funding was supplanted. In this event, the Legislature shall not make any appropriations for the ensuing fiscal year until an appropriation in that amount is made to replenish the trust fund.

F. No deficiency in the Oklahoma Education Lottery Trust Fund shall be replenished by reducing any nonlottery funds, including specifically but without limitation, the General Revenue Fund, the Constitutional Reserve Fund or the Education Reform Revolving Fund of the State Department of Education. No program or project started specifically from lottery proceeds shall be continued from the General Revenue Fund, the Constitutional Reserve Fund or the Education Reform Revolving Fund of the State Department of Education. Such programs must be adjusted or discontinued according to available lottery proceeds unless the Legislature by general law establishes eligibility requirements and appropriates specific funds therefor. No surplus in the Oklahoma Education Lottery Trust Fund

shall be reduced or transferred to correct any nonlottery deficiencies in sums available for general appropriations.

G. There is hereby created in the State Treasury a revolving fund to be designated the "Oklahoma Education Lottery Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all monies received by the Commission. The Commission shall make payments of net proceeds from the fund to the Oklahoma Education Lottery Trust Fund on or before the fifteenth day of each calendar quarter as provided in subsection B of this section. All monies accruing to the credit of the Oklahoma Education Lottery Revolving Fund are hereby appropriated and may be budgeted and expended for the payment of net proceeds, prizes, commissions to retailers, administrative expenses and all other expenses arising out of the operation of the education lottery, subject to the limitations provided in this act. Expenditures from the fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of State Finance for approval and payment.

The monies in the fund shall be invested by the State Treasurer in accordance with state investment practices. All earnings attributable to such investments shall likewise accrue to the credit of the fund.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 5-141.4 of Title 70, unless there is created a duplication in numbering, reads as follows:

A. There is hereby created the Teacher Incentive Pay Program.

B. The State Board of Education shall select teachers to participate in the Teacher Incentive Pay Program based on the following:

1. The teacher agrees to teach in a school in the state that has failed to make adequate yearly progress for three (3) years and has been identified as in need of improvement by the State Board of

Education pursuant to the requirements of the Elementary and Secondary Education Act of 2001 (ESEA), P.L. No. 107-110, also known as the "No Child Left Behind Act of 2001"; and

2. Has been recognized as a successful teacher either through:
 - a. teacher evaluations,
 - b. the recommendation of a principal or administrator supervising the teacher, or
 - c. attainment of National Board certification.

C. The State Board of Education shall provide all teachers who are selected to participate in the Teacher Incentive Pay Program as provided for in this section a salary increase bonus in the amount of Five Thousand Dollars (\$5,000.00) annually no later than January 31 for as long as they participate in the Program and are teaching in the classroom full-time.

D. The salary increase bonus shall not be included in the calculation of the salary of the teacher for purposes of meeting the district or statutory minimum salary schedule or for purposes of compensating Oklahoma Teachers' Retirement System contributions or benefits.

E. The State Board of Education shall promulgate rules for the provision of the salary increase bonus pursuant to this section to include, but not be limited to, a process by which a teacher will verify that they are still a full-time classroom teacher at a school identified in need of improvement as provided for in subsection B of this section.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 698.4 of Title 70, unless there is created a duplication in numbering, reads as follows:

A. There is hereby created the Teacher Recruitment Incentive Program.

B. It is the intent of the Oklahoma Legislature that, beginning with the 2005-2006 school year, the Oklahoma State Regents for

Higher Education establish a Teacher Recruitment Incentive Program for students with a bachelor's degree who return to school to earn a master's degree in a subject area and become certified to teach in that subject area and who declare an intention to serve and subsequently serve this state by teaching in a public school of this state for a minimum of five (5) years. Students meeting the criteria provided in this section shall be given the opportunity to enter into participation in the Program.

C. The Oklahoma State Regents for Higher Education are authorized to make teacher recruitment incentive payments pursuant to the provisions of this section to persons who actually render a minimum of five (5) years of service as teachers in the public schools of this state. The total amount of the employment incentive payments for any qualified person shall not exceed an amount equal to three times the average annual cost of undergraduate resident tuition and fees for full-time enrollment at institutions which offer teacher education programs within The Oklahoma State System of Higher Education, as defined by the State Regents. Any amount not necessary to repay the balance of a student's loan(s) shall be paid directly to any person otherwise eligible for teacher recruitment incentive payments pursuant to this section.

D. The Oklahoma State Regents for Higher Education shall require the execution of appropriate contracts with eligible persons. Persons failing to comply with the requirements of this section shall not be eligible for the teacher recruitment incentive payments provided for in this section. The Chancellor of the Oklahoma State Regents for Higher Education, with approval of the State Regents, may contract with any other appropriate organization or unit of government for the administration of the provisions of this section.

E. If insufficient funds are available for teacher recruitment incentive payments to qualified persons during any fiscal year, the

Chancellor may make reductions in the payments made to those qualifying.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3-170 of Title 70, unless there is created a duplication in numbering, reads as follows:

There is hereby created the School Supply Fund Program.

SECTION 5. This act shall become effective July 1, 2005.

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.

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