

1 ENGROSSED HOUSE  
2 BILL NO. 2935

By: Nations and Shumate of the  
House

3 and

4 Sparks of the Senate  
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7 An Act relating to schools; amending 70 O.S. 2001,  
8 Section 5-145, as amended by Section 1, Chapter 351,  
9 O.S.L. 2005 (70 O.S. Supp. 2007, Section 5-145),  
10 which relates to school foundations; clarifying  
11 statutory language; allowing a school district to  
12 provide office or business space on school property  
13 to a school foundation; requiring board of education  
14 approval; and declaring an emergency.

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

15 SECTION 1. AMENDATORY 70 O.S. 2001, Section 5-145, as  
16 amended by Section 1, Chapter 351, O.S.L. 2005 (70 O.S. Supp. 2007,  
17 Section 5-145), is amended to read as follows:

18 Section 5-145. A. District school boards of education should  
19 be encouraged to explore the potential benefits of local foundations  
20 and public school/business partnerships as supplements to basic  
21 programs publicly funded.

22 B. No local foundation, as defined in subsection C of this  
23 section, shall make, and no public school, public school personnel,  
24 or school district shall accept, any gift, grant or donation of real

1 or personal property from any local foundation unless the local  
2 foundation complies with the requirements of this section and with  
3 such other requirements for such organization as are required by  
4 Title 18 of the Oklahoma Statutes.

5 C. As used in this section, "local foundation" means any  
6 company, trust, corporation or association:

7 1. that solicits money or property in the name of any public  
8 school district, public school or public school organization; and

9 2. which is exempt from federal income taxes or is verifiably  
10 and in good faith in the process of obtaining federal tax exemption  
11 status pursuant to the provisions of Section 501(c)(3) of the  
12 Internal Revenue Code. If the local foundation is in the process of  
13 obtaining exemption status in accordance with this paragraph, the  
14 local foundation may make gifts, grants or donations pursuant to  
15 this section provided it has advised the district board of education  
16 of the status of any application for tax exemption and continues to  
17 provide the board such information each year thereafter.

18 Any local foundation which has been denied such exemption or  
19 ceases to qualify for such exemption by the Internal Revenue Service  
20 shall not be authorized to function pursuant to this section.

21 D. Student organizations or club projects whose revenue may be  
22 deposited in a school activity fund or account pursuant to Section  
23 5-129 of this title shall not be considered "local foundations".

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1 E. Only school districts, public schools, school personnel and  
2 students or direct functions of a school district may be the  
3 beneficiaries of any awards, grants or other benefits of a local  
4 foundation.

5 F. The board of education of any school district in this state  
6 may refuse to accept any donation of real or personal property  
7 offered by or through a local foundation and shall have the final  
8 authority to accept or refuse to accept any grant or award offered  
9 by a local foundation for the benefit of the school district.

10 G. In order to assure the fairness, objectivity, and integrity  
11 of its operations, and that its purposes and policies are consistent  
12 with the goals of the State Board of Education, the board of  
13 education of the school district may consider the process used in  
14 selecting recipients of benefits or merit awards by any local  
15 foundation in deciding whether to accept or reject the gift, grant  
16 or donation.

17 H. No employee of the district shall be a voting member of a  
18 local foundation board which is established in that school district.  
19 Members of the board of education may serve on the board of a local  
20 foundation, but shall not constitute a majority of the members of  
21 the board of directors of the foundation. No other elected official  
22 of state or local government shall be compensated by the local  
23 foundation. The total number of ex officio local foundation members  
24 shall be less than the number of voting members of the local

1 foundations. No ex officio member of the local foundation board or  
2 employee of the school district shall be compensated by the local  
3 foundation for service as an ex officio member of the local  
4 foundation.

5 I. Any local foundation which makes a gift, grant or donation  
6 to any school district, public school, or school personnel of this  
7 state, regardless of when established, shall make all of its  
8 financial records and documents available to auditors who are  
9 performing audits of the school district. Such financial records  
10 and documents, other than the list of contributors, shall be open  
11 for public inspection upon written request by any person.

12 J. A public school district shall not directly or indirectly  
13 transfer any funds to any local foundation or render services or  
14 provide any thing of value to any local foundation without receiving  
15 documented adequate payment or reimbursement therefor according to  
16 written contract; ~~provided, nothing~~. Nothing herein shall be  
17 construed as prohibiting payment by the district of claims for  
18 expenses of fund-raising for the benefit of the district if such  
19 fund-raising activities are approved in advance by the district  
20 board of education and made a part of the minutes of the meeting of  
21 the board. Nothing herein shall be construed as prohibiting the  
22 district from providing space in a school district building or on  
23 school district property to the foundation for office or business  
24 purposes in exchange for the financial benefits provided to the

1 district by the foundation if approved by the district board of  
2 education and made a part of the minutes of the meeting of the  
3 board.

4 SECTION 2. It being immediately necessary for the preservation  
5 of the public peace, health and safety, an emergency is hereby  
6 declared to exist, by reason whereof this act shall take effect and  
7 be in full force from and after its passage and approval.

8 Passed the House of Representatives the 18th day of February,  
9 2008.

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12 Presiding Officer of the House of  
13 Representatives

14 Passed the Senate the \_\_\_\_ day of \_\_\_\_\_, 2008.

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17 Presiding Officer of the Senate  
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