

THE HOUSE OF REPRESENTATIVES  
Wednesday, February 13, 2008

House Bill No. 2935

HOUSE BILL NO. 2935 - By: NATIONS AND SHUMATE of the House and SPARKS of the Senate.

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

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

- 1           SECTION 1.    AMENDATORY    70 O.S. 2001, Section 5-145, as amended by  
2 Section 1, Chapter 351, O.S.L. 2005 (70 O.S. Supp. 2007, Section 5-145), is amended to  
3 read as follows:
- 4           Section 5-145. A. District school boards of education should be encouraged to  
5 explore the potential benefits of local foundations and public school/business  
6 partnerships as supplements to basic programs publicly funded.
- 7           B. No local foundation, as defined in subsection C of this section, shall make, and  
8 no public school, public school personnel, or school district shall accept, any gift, grant or  
9 donation of real or personal property from any local foundation unless the local  
10 foundation complies with the requirements of this section and with such other  
11 requirements for such organization as are required by Title 18 of the Oklahoma Statutes.

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

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

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

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

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

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

21 F. The board of education of any school district in this state may refuse to accept  
22 any donation of real or personal property offered by or through a local foundation and

1 shall have the final authority to accept or refuse to accept any grant or award offered by  
2 a local foundation for the benefit of the school district.

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

8 H. No employee of the district shall be a voting member of a local foundation board  
9 which is established in that school district. Members of the board of education may serve  
10 on the board of a local foundation, but shall not constitute a majority of the members of  
11 the board of directors of the foundation. No other elected official of state or local  
12 government shall be compensated by the local foundation. The total number of ex officio  
13 local foundation members shall be less than the number of voting members of the local  
14 foundations. No ex officio member of the local foundation board or employee of the school  
15 district shall be compensated by the local foundation for service as an ex officio member  
16 of the local foundation.

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

UNDERLINED language denotes Amendments to present Statutes.  
**BOLD FACE CAPITALIZED** language denotes Committee Amendments.  
~~Strike thru~~ language denotes deletion from present Statutes.

1 J. A public school district shall not directly or indirectly transfer any funds to any  
2 local foundation or render services or provide any thing of value to any local foundation  
3 without receiving documented adequate payment or reimbursement therefor according to  
4 written contract; ~~provided, nothing.~~ Nothing herein shall be construed as prohibiting  
5 payment by the district of claims for expenses of fund-raising for the benefit of the  
6 district if such fund-raising activities are approved in advance by the district board of  
7 education and made a part of the minutes of the meeting of the board. Nothing herein  
8 shall be construed as prohibiting the district from providing space in a school district  
9 building or on school district property to the foundation for office or business purposes in  
10 exchange for the financial benefits provided to the district by the foundation if approved  
11 by the district board of education and made a part of the minutes of the meeting of the  
12 board.

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

16 COMMITTEE REPORT BY: COMMITTEE ON EDUCATION, dated 02-12-08 - DO  
17 PASS, As Coauthored.