

ESB 1714

THE HOUSE OF REPRESENTATIVES  
Tuesday, April 15, 2008

ENGROSSED  
**Senate Bill No. 1714**  
**As Amended**

ENGROSSED SENATE BILL NO. 1714 - By: MAZZEI of the Senate and TERRILL of the House.

[ public finance - EDGE Fund Policy Board -  
effective date ]

- 1 SECTION 1. AMENDATORY Section 2, Chapter 85, 2nd Extraordinary  
2 Session, O.S.L. 2006, as amended by Section 2, Chapter 350, O.S.L. 2007 (62 O.S. Supp.  
3 2007, Section 52), is amended to read as follows:
- 4 Section 52. A. 1. There is hereby created the EDGE Fund Policy Board. The  
5 EDGE Fund Policy Board shall be responsible for the expenditure of funds certified as  
6 available by the Board of Investors of the EDGE Fund, pursuant to subsection F of this  
7 section, for projects and programs which will increase private and public applied  
8 research and development, technology transfer and technology commercialization in  
9 Oklahoma. Such projects and programs include, but are not limited to providing:
- 10 a. matching funds for applied research,  
11 b. funds for proof of concept,  
12 c. funds for purchasing equipment or applied research, and

1           d.     seed capital including, but not limited to, capital for the OCAST Seed  
2                     Capital Revolving Fund.

3           2. In determining how funds from the EDGE Fund shall be expended, the EDGE  
4 Fund Policy Board shall consider only those projects and programs which satisfy one or  
5 more of the following criteria:

6           a.     direct expansion of the number of researchers, technicians, support  
7                     services and associated business activity within Oklahoma,

8           b.     high potential to result in the formation and growth of advanced  
9                     technology companies in Oklahoma,

10          c.     high potential to improve the health status and quality of life for  
11                     Oklahomans, and

12          d.     leverage of additional federal research grants and/or privately funded  
13                     and sponsored research in Oklahoma research institutions.

14          3. The initial cycle of expenditures made after the effective date of this act  
15 pursuant to this section shall be for projects and programs which may include, but are  
16 not limited to:

17          a.     agriculture,

18          b.     aerospace/aviation,

19          c.     biology/biotechnology,

20          d.     genomics,

21          e.     weather science and technology,

22          f.     telecommunications,

1 g. advanced materials, and

2 h. sensors.

3 The EDGE Fund Policy Board shall annually review areas of research and  
4 commercialization emphasis, with consideration given to the strategic strengths of  
5 Oklahoma’s research infrastructure.

6 B. The EDGE Fund Policy Board shall be composed of seven (7) members, as  
7 follows:

8 1. Four individuals who serve as senior officers of an Oklahoma business or  
9 financial company who have knowledge of the current Oklahoma economy and the  
10 potential to advance to a technology-based economy; two appointed by the Governor and  
11 one each appointed by the President Pro Tempore of the Senate and Speaker of the  
12 House of Representatives;

13 2. One scientist, engineer or officer of a technology-based Oklahoma company or  
14 public or private research institution appointed by the President Pro Tempore of the  
15 Senate;

16 3. One attorney licensed to practice law in Oklahoma, who has experience with  
17 start-up companies and business practices appointed by the Governor; and

18 4. One venture capitalist with experience in the commercialization of technology  
19 and investment in technology-based companies appointed by the Speaker of the House of  
20 Representatives.

21 The members of the EDGE Fund Policy Board shall serve at the pleasure of their  
22 appointing authorities. The Governor, President Pro Tempore of the Senate and Speaker

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

1 of the House of Representatives may make appointments to the Board from a list of  
2 names meeting one or more of the criteria provided in this subsection. The Department  
3 of Commerce shall develop the list in consultation with the largest statewide  
4 organization representing commerce and industry and the two largest metropolitan  
5 organizations representing commerce and industry. Each person recommended by each  
6 of the two largest metropolitan organizations representing commerce and industry shall  
7 be residents of the metropolitan area represented by the organization that makes the  
8 recommendation for inclusion of such person on the list. Each person recommended by  
9 the largest statewide organization representing commerce and industry shall be a  
10 resident of an area other than the metropolitan areas represented by the two largest  
11 metropolitan organizations representing commerce and industry. The list shall be  
12 maintained in a manner to provide that at least one qualified person is eligible for  
13 appointment to each and every position to which appointments may be made. The  
14 organizations described by this subsection shall prepare a new list from which  
15 appointments can be made within sixty (60) days after the effective date of this section.

16 The appointing authorities shall select appointees from the list submitted to serve  
17 on the EDGE Fund Policy Board.

18 C. The members of the EDGE Fund Policy Board shall receive no salary for serving  
19 on the EDGE Fund Policy Board. All members shall receive necessary travel expenses  
20 for the performance of their duties from the Office of the Governor in accordance with the  
21 provisions of the State Travel Reimbursement Act.

1 D. The Governor shall select a chair and a vice-chair, who shall preside over  
2 meetings in the absence of the chair, and any other officers, provided that no member  
3 shall serve as chair for more than two (2) consecutive years. The EDGE Fund Policy  
4 Board shall meet at least quarterly. A majority of the members of the EDGE Fund Policy  
5 Board shall constitute a quorum to transact business, but no vacancy shall impair the  
6 right of the remaining members to exercise all of the powers of the EDGE Fund Policy  
7 Board. Any vacancy in a position shall be filled by the appointing authority in the  
8 manner prescribed by subsection B of this section. The EDGE Fund Policy Board may  
9 employ an Executive Director, who shall serve at the pleasure of the EDGE Fund Policy  
10 Board.

11 E. Except as provided by law, the EDGE Fund Policy Board shall be subject to the  
12 Oklahoma Open Meeting Act, the Oklahoma Open Records Act and the Administrative  
13 Procedures Act. Any information submitted to or compiled by the EDGE Fund Policy  
14 Board with respect to the marketing plans, financial statements, trade secrets, research  
15 concepts, methods or products, or any other proprietary information of persons, firms,  
16 associations, partnerships, agencies, corporations, institutions of higher education,  
17 nonprofit research institutions or other entities shall be confidential, except to the extent  
18 that the person or entity providing such information or the subject of such information  
19 consents to disclosure. Executive sessions may be held to discuss such materials if  
20 deemed necessary by the EDGE Fund Policy Board.

21 F. Expenditures from the EDGE Fund shall be subject to the following  
22 requirements and limitations:

1           1. ~~At least twenty-five percent (25%) of~~ Of the monies available for distribution in  
2 any fiscal year, at least twenty-five percent (25%) shall be allotted to support technology  
3 transfer and technology commercialization and at least five percent (5%) shall be allotted  
4 to carry out the mission of the Oklahoma Center for the Advancement of Science and  
5 Technology as provided in Section 5060.3 of Title 74 of the Oklahoma Statutes; and

6           2. No more than twenty percent (20%) of the monies available for distribution in  
7 any fiscal year shall be used for the purchase of equipment pursuant to subsection A of  
8 this section.

9           G. The EDGE Fund Policy Board may elect to provide supplementary funding for  
10 existing programs including, but not limited to, the Oklahoma Health Research program,  
11 the Oklahoma Applied Research Support program, or such other programs as it may  
12 deem are necessary to advance the technology-based economy in Oklahoma.

13           H. The EDGE Fund Policy Board is hereby authorized to enter into cooperative  
14 agreements with the Oklahoma Center for the Advancement of Science and Technology  
15 to provide assistance in program development, due diligence, project selection and the  
16 administration and management of research and technology development programs.

17           I. The Oklahoma Center for the Advancement of Science and Technology shall  
18 provide administrative, planning, and other assistance to the Board of Investors of the  
19 EDGE Fund and the EDGE Fund Policy Board, including the preparation of an annual  
20 report from each to the Governor, President Pro Tempore of the Senate and Speaker of  
21 the House on the status of the EDGE Fund and impact of funded projects and programs.

22 The Executive Director of the Oklahoma Center for the Advancement of Science and

1 Technology shall employ one full-time-equivalent employee to provide staff assistance for  
2 the purposes of implementing this subsection. Subject to the availability of funding, the  
3 Executive Director, pursuant to a request from and approval by the EDGE Fund Policy  
4 Board, may employ additional full-time-equivalent employees. Individuals employed by  
5 the Oklahoma Center for the Advancement of Science and Technology pursuant to this  
6 subsection shall be paid from the expenditures authorized by subsection A of this section.  
7 In no event shall more than one percent (1%) of the total assets of the EDGE Fund be  
8 expended annually for administrative expenses associated with the EDGE Fund and the  
9 EDGE Fund Policy Board.

10 J. The EDGE Fund Policy Board shall attempt to leverage the research dollars of  
11 the EDGE Fund through collaboration with the following entities:

- 12 1. Oklahoma Center for the Advancement of Science and Technology;
- 13 2. Oklahoma State Regents for Higher Education;
- 14 3. Oklahoma Experimental Program to Stimulate Competitive Research (EPSCoR);
- 15 4. Oklahoma Department of Commerce;
- 16 5. Oklahoma Capital Investment Board;
- 17 6. Any private, not-for-profit corporation created pursuant to Section 5060.26 of  
18 Title 74 of the Oklahoma Statutes; and
- 19 7. Any not-for-profit organization which is a contractor of the Oklahoma Center for  
20 the Advancement of Science and Technology pursuant to Sections 5060.20a and 5060.20b  
21 of Title 74 of the Oklahoma Statutes.

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1 K. The EDGE Fund Policy Board shall promulgate rules and develop timelines  
2 governing the review of annual proposals. Such rules shall give preference to cooperative  
3 proposals that include researchers from multiple institutions, including higher  
4 education, nonprofit research institutions, and private enterprise.

5 L. With assistance from the Oklahoma Center for the Advancement of Science and  
6 Technology, the EDGE Fund Policy Board shall:

7 1. Promulgate rules and develop procedures and protocols for establishing technical  
8 advisory panels, selection review criteria and competition criteria; and

9 2. Develop procedures to account for funds and to measure the progress of projects  
10 and deliverables.

11 M. The projects and funds of the EDGE Fund shall be subject to audit by the State  
12 Auditor and Inspector.

13 SECTION 2. This act shall become effective November 1, 2008.

14 COMMITTEE REPORT BY: COMMITTEE ON ENERGY AND TECHNOLOGY, dated  
15 04-14-08 - DO PASS, As Amended.