

**EHB 2935**

**THE STATE SENATE**  
**Monday, April 7, 2008**

**ENGROSSED**

**House Bill No. 2935**

**As Amended**

ENGROSSED HOUSE BILL NO. 2935 - By: Nations and Shumate of the House  
and Sparks of the Senate.

[ **schools - school foundations - school property -  
emergency** ]

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

SECTION 1. AMENDATORY 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), is amended to read as follows:

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

B. No local foundation, as defined in subsection C of this  
section, shall make, and no public school, public school personnel,  
or school district shall accept, any gift, grant or donation of real  
or personal property from any local foundation unless the local  
foundation complies with the requirements of this section and with  
such other 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  
2 company, trust, corporation or association:

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

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

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

17 D. Student organizations or club projects whose revenue may be  
18 deposited in a school activity fund or account pursuant to Section  
19 5-129 of this title shall not be considered "local foundations".

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

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

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

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

1 foundation for service as an ex officio member of the local  
2 foundation.

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

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

1 education and made a part of the minutes of the meeting of the  
2 board.

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

7 COMMITTEE REPORT BY: COMMITTEE ON EDUCATION, dated 3-31-08 - DO  
8 PASS, As Amended.