

SB 1714

1 THE STATE SENATE  
2 Monday, February 25, 2008

3 Senate Bill No. 1714  
4 As Amended

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

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

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

9 SECTION 1. AMENDATORY Section 2, Chapter 85, 2nd

10 Extraordinary Session, O.S.L. 2006, as amended by Section 2, Chapter

11 350, O.S.L. 2007 (62 O.S. Supp. 2007, Section 52), is amended to

12 read as follows:

13 Section 52. A. 1. There is hereby created the EDGE Fund  
14 Policy Board. The EDGE Fund Policy Board shall be responsible for  
15 the expenditure of funds certified as available by the Board of  
16 Investors of the EDGE Fund, pursuant to subsection F of this  
17 section, for projects and programs which will increase private and  
18 public applied research and development, technology transfer and  
19 technology commercialization in Oklahoma. Such projects and  
20 programs include, but are not limited to providing:

- 21 a. matching funds for applied research,
- 22 b. funds for proof of concept,
- 23 c. funds for purchasing equipment or applied research,
- 24 and

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

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

- 7           a.    direct expansion of the number of researchers,  
8                   technicians, support services and associated business  
9                   activity within Oklahoma,
- 10          b.    high potential to result in the formation and growth  
11                of advanced technology companies in Oklahoma,
- 12          c.    high potential to improve the health status and  
13                quality of life for Oklahomans, and
- 14          d.    leverage of additional federal research grants and/or  
15                privately funded and sponsored research in Oklahoma  
16                research institutions.

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

- 20          a.    agriculture,
- 21          b.    aerospace/aviation,
- 22          c.    biology/biotechnology,
- 23          d.    genomics,

- 1 e. weather science and technology,
- 2 f. telecommunications,
- 3 g. advanced materials, and
- 4 h. sensors.

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

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

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

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

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

1           4. One venture capitalist with experience in the  
2 commercialization of technology and investment in technology-based  
3 companies appointed by the Speaker of the House of Representatives.

4           The members of the EDGE Fund Policy Board shall serve at the  
5 pleasure of their appointing authorities. The Governor, President  
6 Pro Tempore of the Senate and Speaker of the House of  
7 Representatives may make appointments to the Board from a list of  
8 names meeting one or more of the criteria provided in this  
9 subsection. The Department of Commerce shall develop the list in  
10 consultation with the largest statewide organization representing  
11 commerce and industry and the two largest metropolitan organizations  
12 representing commerce and industry. Each person recommended by each  
13 of the two largest metropolitan organizations representing commerce  
14 and industry shall be residents of the metropolitan area represented  
15 by the organization that makes the recommendation for inclusion of  
16 such person on the list. Each person recommended by the largest  
17 statewide organization representing commerce and industry shall be a  
18 resident of an area other than the metropolitan areas represented by  
19 the two largest metropolitan organizations representing commerce and  
20 industry. The list shall be maintained in a manner to provide that  
21 at least one qualified person is eligible for appointment to each  
22 and every position to which appointments may be made. The  
23 organizations described by this subsection shall prepare a new list

1 from which appointments can be made within sixty (60) days after the  
2 effective date of this section.

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

5 C. The members of the EDGE Fund Policy Board shall receive no  
6 salary for serving on the EDGE Fund Policy Board. All members shall  
7 receive necessary travel expenses for the performance of their  
8 duties from the Office of the Governor in accordance with the  
9 provisions of the State Travel Reimbursement Act.

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

22 E. Except as provided by law, the EDGE Fund Policy Board shall  
23 be subject to the Oklahoma Open Meeting Act, the Oklahoma Open

1 Records Act and the Administrative Procedures Act. Any information  
2 submitted to or compiled by the EDGE Fund Policy Board with respect  
3 to the marketing plans, financial statements, trade secrets,  
4 research concepts, methods or products, or any other proprietary  
5 information of persons, firms, associations, partnerships, agencies,  
6 corporations, institutions of higher education, nonprofit research  
7 institutions or other entities shall be confidential, except to the  
8 extent that the person or entity providing such information or the  
9 subject of such information consents to disclosure. Executive  
10 sessions may be held to discuss such materials if deemed necessary  
11 by the EDGE Fund Policy Board.

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

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

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

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

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

13 I. The Oklahoma Center for the Advancement of Science and  
14 Technology shall provide administrative, planning, and other  
15 assistance to the Board of Investors of the EDGE Fund and the EDGE  
16 Fund Policy Board, including the preparation of an annual report  
17 from each to the Governor, President Pro Tempore of the Senate and  
18 Speaker of the House on the status of the EDGE Fund and impact of  
19 funded projects and programs. The Executive Director of the  
20 Oklahoma Center for the Advancement of Science and Technology shall  
21 employ one full-time-equivalent employee to provide staff assistance  
22 for the purposes of implementing this subsection. Subject to the  
23 availability of funding, the Executive Director, pursuant to a

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

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

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

1 pursuant to Sections 5060.20a and 5060.20b of Title 74 of the  
2 Oklahoma Statutes.

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

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

10 1. Promulgate rules and develop procedures and protocols for  
11 establishing technical advisory panels, selection review criteria  
12 and competition criteria; and

13 2. Develop procedures to account for funds and to measure the  
14 progress of projects and deliverables.

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

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

18 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS, dated 2-20-08 - DO  
19 PASS, As Amended and Coauthored.