

1 STATE OF OKLAHOMA

2 2nd Session of the 51st Legislature (2008)

3 SENATE BILL 1714

By: Mazzei

4
5 AS INTRODUCED

6 An Act relating to public finance; amending Section
7 2, Chapter 85, 2nd Extraordinary Session, O.S.L.
8 2006, as amended by Section 2, Chapter 350, O.S.L.
9 2007 (62 O.S. Supp. 2007, Section 52), which relates
10 to the EDGE Fund Policy Board; modifying requirements
11 for expenditures from EDGE Fund; and providing an
12 effective date.

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

14 SECTION 1. AMENDATORY Section 2, Chapter 85, 2nd
15 Extraordinary Session, O.S.L. 2006, as amended by Section 2, Chapter
16 350, O.S.L. 2007 (62 O.S. Supp. 2007, Section 52), is amended to
17 read as follows:

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

- a. matching funds for applied research,
- b. funds for proof of concept,
- c. funds for purchasing equipment or applied research,
and
- d. seed capital including, but not limited to, capital
for the OCAST Seed Capital Revolving Fund.

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

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

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

- a. agriculture,

- b. aerospace/aviation,
- c. biology/biotechnology,
- d. genomics,
- e. weather science and technology,
- f. telecommunications,
- g. advanced materials, and
- h. sensors.

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

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

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

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

3. One attorney licensed to practice law in Oklahoma, who has experience with start-up companies and business practices appointed 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
24 Records Act and the Administrative Procedures Act. Any information

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

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

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

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

23 G. The EDGE Fund Policy Board may elect to provide
24 supplementary funding for existing programs including, but not

1 limited to, the Oklahoma Health Research program, the Oklahoma
2 Applied Research Support program, or such other programs as it may
3 deem are necessary to advance the technology-based economy in
4 Oklahoma.

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

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

1 pursuant to this subsection shall be paid from the expenditures
2 authorized by subsection A of this section. In no event shall more
3 than one percent (1%) of the total assets of the EDGE Fund be
4 expended annually for administrative expenses associated with the
5 EDGE Fund and the EDGE Fund Policy Board.

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

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

22 K. The EDGE Fund Policy Board shall promulgate rules and
23 develop timelines governing the review of annual proposals. Such
24 rules shall give preference to cooperative proposals that include

1 researchers from multiple institutions, including higher education,
2 nonprofit research institutions, and private enterprise.

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

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

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

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

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

13

14 51-2-2540 JCR 1/22/2008 7:42:50 PM

15

16

17

18

19

20

21

22

23

24