

SB 493

1 THE STATE SENATE
2 Tuesday, February 17, 2009

3 Senate Bill No. 493
4 As Amended

5 SENATE BILL NO. 493 - By: Halligan of the Senate and Denney 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. 2008, Section 52), is amended to

12 read as follows:

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

22 a. matching funds for applied research,

23 b. funds for proof of concept,

- 1 c. funds for purchasing equipment or applied research,
2 and
3 d. seed capital including, but not limited to, capital
4 for the OCAST Seed Capital Revolving Fund.

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

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

19 3. The initial cycle of expenditures made after ~~the effective~~
20 ~~date of this act~~ September 22, 2006, pursuant to this section shall
21 be for projects and programs which may include, but are not limited
22 to:

- 23 a. agriculture,

- 1 b. aerospace/aviation,
- 2 c. biology/biotechnology,
- 3 d. genomics,
- 4 e. weather science and technology,
- 5 f. telecommunications,
- 6 g. advanced materials, and
- 7 h. sensors.

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

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

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

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

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

4 4. One venture capitalist with experience in the
5 commercialization of technology and investment in technology-based
6 companies appointed by the Speaker of the House of Representatives;
7 and

8 5. The Chancellor of Higher Education.

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

1 the two largest metropolitan organizations representing commerce and
2 industry. The list shall be maintained in a manner to provide that
3 at least one qualified person is eligible for appointment to each
4 and every position to which appointments may be made. The
5 organizations described by this subsection shall prepare a new list
6 from which appointments can be made within sixty (60) days after ~~the~~
7 ~~effective date of this section~~ June 4, 2007.

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

10 C. The members of the EDGE Fund Policy Board shall receive no
11 salary for serving on the EDGE Fund Policy Board. All members shall
12 receive necessary travel expenses for the performance of their
13 duties from the Office of the Governor in accordance with the
14 provisions of the State Travel Reimbursement Act.

15 D. The Governor shall select a chair and a vice-chair, who
16 shall preside over meetings in the absence of the chair, and any
17 other officers, provided that no member shall serve as chair for
18 more than two (2) consecutive years. The EDGE Fund Policy Board
19 shall meet at least quarterly. A majority of the members of the
20 EDGE Fund Policy Board shall constitute a quorum to transact
21 business, but no vacancy shall impair the right of the remaining
22 members to exercise all of the powers of the EDGE Fund Policy Board.
23 Any vacancy in a position shall be filled by the appointing

1 authority in the manner prescribed by subsection B of this section.
2 The EDGE Fund Policy Board may employ an Executive Director, who
3 shall serve at the pleasure of the EDGE Fund Policy Board.

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

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

19 1. At least twenty-five percent (25%) of the monies available
20 for distribution in any fiscal year shall be allotted to support
21 technology transfer and technology commercialization; and

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

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

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

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

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

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

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

1 7. Any not-for-profit organization which is a contractor of the
2 Oklahoma Center for the Advancement of Science and Technology
3 pursuant to Sections 5060.20a and 5060.20b of Title 74 of the
4 Oklahoma Statutes.

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

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

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

15 2. Develop procedures to account for funds and to measure the
16 progress of projects and deliverables.

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

19 SECTION 2. This act shall become effective November 1, 2009.

20 COMMITTEE REPORT BY: COMMITTEE ON EDUCATION, dated 2-9-09 - DO PASS,
21 As Amended and Coauthored.