

STATE OF OKLAHOMA

2nd Session of the 52nd Legislature (2010)

HOUSE BILL 3178

By: Shelton

AS INTRODUCED

An Act relating to education; amending Section 14, Chapter 58, O.S.L. 2003, as last amended by Section 1, Chapter 389, O.S.L. 2008 (3A O.S. Supp. 2009, Section 713), which relates to the Oklahoma Education Lottery Trust Fund; modifying distribution of monies in the Oklahoma Education Lottery Trust Fund; creating the Teacher Incentive Pay Program; directing the State Board of Education to select teachers for participation in Program; listing criteria for selection; providing for a salary increase bonus for teachers participating in the Program; prohibiting inclusion of salary increase bonus in certain calculations; directing the Board to promulgate rules; creating the Teacher Recruitment Incentive Program; stating legislative intent to establish the Program for certain students; authorizing the Oklahoma State Regents for Higher Education to make certain payments; establishing payment limits and conditions; providing for the execution of contracts; allowing contracts for the administration of Program; providing for reduction in payments in certain cases; creating the School Supply Fund Program; providing for codification; and providing an effective date.

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

1 SECTION 1. AMENDATORY Section 14, Chapter 58, O.S.L.
2 2003, as last amended by Section 1, Chapter 389, O.S.L. 2008 (3A
3 O.S. Supp. 2009, Section 713), is amended to read as follows:

4 Section 713. A. All gross proceeds shall be the property of
5 the Oklahoma Lottery Commission. From its gross proceeds, the
6 Commission shall pay the operating expenses of the Commission. At
7 least forty-five percent (45%) of gross proceeds shall be made
8 available as prize money. However, the provisions of this
9 subsection shall be deemed not to create any lien, entitlement,
10 cause of action, or other private right, and any rights of holders
11 of tickets or shares shall be determined by the Commission in
12 setting the terms of its lottery or lotteries. For each fiscal
13 year, net proceeds shall equal at least thirty-five percent (35%) of
14 the gross proceeds. However, for the purpose of repaying
15 indebtedness issued pursuant to Section 732 of this title, for the
16 first two (2) full fiscal years and any partial first fiscal year of
17 the Commission, net proceeds need only equal at least thirty percent
18 (30%) of the gross proceeds. All of the net proceeds shall be
19 transferred to the Oklahoma Education Lottery Trust Fund as provided
20 in subsection B of this section.

21 B. There is hereby created in the State Treasury a fund to be
22 designated the "Oklahoma Education Lottery Trust Fund". Except as
23 otherwise provided in subsections H and I of this section, on or
24 before the fifteenth day of each calendar quarter, the Commission

1 shall transfer to the State Treasurer, for credit to the Oklahoma
2 Education Lottery Trust Fund, the amount of all net proceeds
3 accruing during the preceding calendar quarter. Expenditures from
4 the fund shall be made upon warrants issued by the State Treasurer
5 against claims filed as prescribed by law with the Director of State
6 Finance for approval and payment.

7 Upon their deposit into the State Treasury, any monies
8 representing a deposit of net proceeds shall then become the
9 unencumbered property of this state, and neither the Commission nor
10 the board of trustees shall have the power to agree or undertake
11 otherwise. The monies shall be invested by the State Treasurer in
12 accordance with state investment practices. All earnings
13 attributable to such investments shall likewise be the unencumbered
14 property of the state and shall accrue to the credit of the fund.

15 C. Monies in the Oklahoma Education Lottery Trust Fund shall
16 only be appropriated as follows:

- 17 1. Forty-five percent (45%) for the following:
- 18 a. kindergarten through twelfth grade public education,
19 including but not limited to compensation and benefits
20 for public school teachers and support employees, and
 - 21 b. early childhood development programs, which shall
22 include but not be limited to costs associated with
23 prekindergarten and full-day kindergarten programs;

24

1 2. ~~Forty-five percent (45%)~~ Thirty-five percent (35%) for the
2 following:

- 3 a. tuition grants, loans and scholarships to citizens of
4 this state to enable such citizens to attend colleges
5 and universities located within this state, regardless
6 of whether such colleges and universities are ~~owned or~~
7 ~~operated by~~ under the control of the Oklahoma State
8 Regents for Higher Education, or to attend
9 institutions operated under the authority of the
10 Oklahoma Department of Career and Technology
11 Education; provided such tuition grants, loans and
12 scholarships shall not be made to a citizen of this
13 state to attend a college or university which is not
14 accredited by the Oklahoma State Regents for Higher
15 Education,
- 16 b. construction of educational facilities for elementary
17 school districts, independent school districts, the
18 Oklahoma State System of Higher Education, and career
19 and technology education,
- 20 c. capital outlay projects for elementary school
21 districts, independent school districts, the Oklahoma
22 State System of Higher Education, and career and
23 technology education,
- 24

1 d. technology for public elementary school district,
2 independent school district, state higher education,
3 and career and technology education facilities, which
4 shall include but not be limited to costs of providing
5 to teachers at accredited public institutions who
6 teach levels kindergarten through twelfth grade,
7 personnel at technology centers under the authority of
8 the Oklahoma State Department of Career and Technology
9 Education, and professors and instructors within the
10 Oklahoma State System of Higher Education, the
11 necessary training in the use and application of
12 computers and advanced electronic instructional
13 technology to implement interactive learning
14 environments in the classroom and to access the state-
15 wide distance learning network and costs associated
16 with repairing and maintaining advanced electronic
17 instructional technology,

18 e. endowed chairs for professors at institutions of
19 higher education ~~operated by~~ which are a part of the
20 Oklahoma State System of Higher Education, and

21 f. programs and personnel of the Oklahoma School for the
22 Deaf and the Oklahoma School for the Blind;

23 3. Five percent (5%) to the School Consolidation and Assistance
24 Fund. When the total amount in the School Consolidation and

1 Assistance Fund from all sources equals Five Million Dollars
2 (\$5,000,000.00), all monies appropriated pursuant to this paragraph
3 which would otherwise be deposited in the School Consolidation and
4 Assistance Fund in excess of Five Million Dollars (\$5,000,000.00)
5 shall be allocated by the State Department of Education to public
6 schools based on the audited end-of-year average daily membership in
7 grades 8 through 12 during the preceding school year for the purpose
8 of purchasing technology equipment in order to conduct on-line
9 testing as required by the Achieving Classroom Excellence Act of
10 2005. If at any time the total amount in the School Consolidation
11 and Assistance Fund drops below Five Million Dollars
12 (\$5,000,000.00), the monies appropriated pursuant to this paragraph
13 shall be deposited in the School Consolidation and Assistance Fund
14 until the Fund again reaches Five Million Dollars (\$5,000,000; ~~and~~

15 4. Five percent (5%) to the Teachers' Retirement System
16 Dedicated Revenue Revolving Fund;

17 5. Three percent (3%) for the Teacher Incentive Pay Program
18 created in Section 2 of this act;

19 6. Two percent (2%) for the Teacher Recruitment Incentive
20 Program created in Section 3 of this act; and

21 7. Five percent (5%) for the School Supply Fund Program created
22 in Section 4 of this act.

23 D. The Legislature shall appropriate funds from the Oklahoma
24 Education Lottery Trust Fund only for the purposes specified in

1 subsection C of this section. Even when funds from the trust fund
2 are used for these purposes, the Legislature shall not use funds
3 from the trust fund to supplant or replace other state funds
4 supporting common education, higher education, or career and
5 technology education.

6 E. In order to ensure that the funds from the trust fund are
7 used to enhance and not supplant funding for education, the State
8 Board of Equalization shall examine and investigate appropriations
9 from the trust fund each year. At the meeting of the State Board of
10 Equalization held within five (5) days after the monthly
11 apportionment in February of each year, the State Board of
12 Equalization shall issue a finding and report which shall state
13 whether appropriations from the trust fund were used to enhance or
14 supplant education funding. If the State Board of Equalization
15 finds that education funding was supplanted by funds from the trust
16 fund, the Board shall specify the amount by which education funding
17 was supplanted. In this event, the Legislature shall not make any
18 appropriations for the ensuing fiscal year until an appropriation in
19 that amount is made to replenish the trust fund.

20 F. Except as otherwise provided by this subsection, no
21 deficiency in the Oklahoma Education Lottery Trust Fund shall be
22 replenished by reducing any nonlottery funds, including specifically
23 but without limitation, the General Revenue Fund, the Constitutional
24 Reserve Fund or the Education Reform Revolving Fund of the State

1 Department of Education. No program or project started specifically
2 from lottery proceeds shall be continued from the General Revenue
3 Fund, the Constitutional Reserve Fund or the Education Reform
4 Revolving Fund of the State Department of Education. Such programs
5 must be adjusted or discontinued according to available lottery
6 proceeds unless the Legislature by general law establishes
7 eligibility requirements and appropriates specific funds therefor.
8 No surplus in the Oklahoma Education Lottery Trust Fund shall be
9 reduced or transferred to correct any nonlottery deficiencies in
10 sums available for general appropriations. The provisions of this
11 subsection shall not apply to bonds or other obligations issued
12 pursuant to or to the repayment of bonds or other obligations issued
13 pursuant to the Oklahoma Higher Education Promise of Excellence Act
14 of 2005.

15 G. There is hereby created in the State Treasury a revolving
16 fund to be designated the "Oklahoma Education Lottery Revolving
17 Fund". The fund shall be a continuing fund, not subject to fiscal
18 year limitations, and shall consist of all monies received by the
19 Commission. The Commission shall make payments of net proceeds from
20 the fund to the Oklahoma Education Lottery Trust Fund on or before
21 the fifteenth day of each calendar quarter as provided in subsection
22 B of this section. All monies accruing to the credit of the
23 Oklahoma Education Lottery Revolving Fund are hereby appropriated
24 and may be budgeted and expended for the payment of net proceeds,

1 prizes, commissions to retailers, administrative expenses and all
2 other expenses arising out of the operation of the education
3 lottery, subject to the limitations provided in the Oklahoma
4 Education Lottery Act. Expenditures from the fund shall be made
5 upon warrants issued by the State Treasurer against claims filed as
6 prescribed by law with the Director of State Finance for approval
7 and payment.

8 The monies in the fund shall be invested by the State Treasurer
9 in accordance with state investment practices. All earnings
10 attributable to such investments shall likewise accrue to the credit
11 of the fund.

12 H. When appropriations from the Oklahoma Education Lottery
13 Trust Fund are made to common education pursuant to the provisions
14 of paragraph 1 of subsection C of this section, the appropriations
15 shall be made available on a monthly basis. In addition to the
16 provisions of subsection B of this section, the following process
17 shall be used to insure that the appropriations are made available
18 to common education in a timely manner:

19 1. Beginning in July of the fiscal year in which appropriations
20 are made to common education from the Oklahoma Education Lottery
21 Trust Fund, the Commission, on or before the ninth day of each
22 month, shall transfer to the State Treasurer, for credit to the
23 Oklahoma Education Lottery Trust Fund, the amount of net proceeds
24 accruing during the preceding month equal to the amount of total

1 monthly collections due to common education as required by paragraph
2 1 of subsection C of this section;

3 2. The Director of the Office of State Finance shall allocate
4 the transfers provided for in paragraph 1 of this subsection to the
5 State Department of Education on a monthly basis, not to exceed one-
6 twelfth (1/12) of the annual apportionment for the fiscal year; and

7 3. The total amount of transfers to the Oklahoma Education
8 Lottery Trust Fund of net lottery proceeds made pursuant to this
9 subsection shall not exceed the total appropriations made to common
10 education from the Oklahoma Education Lottery Trust Fund for the
11 specific fiscal year.

12 I. When appropriations from the Oklahoma Education Lottery
13 Trust Fund are made to The Oklahoma State System of Higher
14 Education, the appropriations shall be made available to the System
15 on a monthly basis. In addition to the provisions of subsection B
16 of this section, the following process shall be used to insure that
17 the appropriations are made available to The Oklahoma State System
18 of Higher Education in a timely manner:

19 1. Beginning in July of the fiscal year in which appropriations
20 are made to The Oklahoma State System of Higher Education from the
21 Oklahoma Education Lottery Trust Fund, the Commission, on or before
22 the ninth day of each month, shall transfer to the State Treasurer,
23 for credit to the Oklahoma Education Lottery Trust Fund, the amount
24 of net proceeds accruing during the preceding month equal to the

1 amount of total monthly collections due to the Oklahoma State
2 Regents for Higher Education as required by paragraph 2 of
3 subsection C of this section;

4 2. The Director of the Office of State Finance shall allocate
5 the transfers provided for in paragraph 1 of this subsection to the
6 Oklahoma State Regents for Higher Education on a monthly basis, not
7 to exceed one-twelfth (1/12) of the annual apportionment for the
8 fiscal year; and

9 3. The total amount of transfers to the Oklahoma Education
10 Lottery Trust Fund of net lottery proceeds made pursuant to this
11 subsection shall not exceed the total appropriations made to The
12 Oklahoma State System for Higher Education from the Oklahoma
13 Education Lottery Trust Fund for the specific fiscal year.

14 SECTION 2. NEW LAW A new section of law to be codified
15 in the Oklahoma Statutes as Section 5-141.4 of Title 70, unless
16 there is created a duplication in numbering, reads as follows:

17 A. There is hereby created the Teacher Incentive Pay Program.

18 B. Beginning with the 2013-2014 school year, the State Board of
19 Education shall select teachers to participate in the Teacher
20 Incentive Pay Program based on the following:

21 1. The teacher agrees to teach in a school in the state that
22 has failed to make adequate yearly progress for three (3) years and
23 has been identified as in need of improvement by the State Board of
24 Education pursuant to the requirements of the Elementary and

1 Secondary Education Act of 2001 (ESEA), P.L. No. 187-110, also known
2 as the "No Child Left Behind Act of 2001"; and

- 3 2. Has been recognized as a successful teacher either through:
- 4 a. teacher evaluations,
 - 5 b. the recommendation of a principal or administrator
6 supervising the teacher, or
 - 7 c. attainment of National Board certification.

8 C. The State Board of Education shall provide all teachers who
9 are selected to participate in the Teacher Incentive Pay Program as
10 provided for in this section a salary increase bonus in the amount
11 of Five Thousand Dollars (\$5,000.00) annually no later than January
12 31 for as long as they participate in the Program and are teaching
13 in the classroom full-time.

14 D. The salary increase bonus shall not be included in the
15 calculation of the salary of the teacher for purposes of meeting the
16 district or statutory minimum salary schedule or for purposes of
17 compensating Oklahoma Teachers' Retirement System contributions or
18 benefits.

19 E. The State Board of Education shall promulgate rules for the
20 provision of the salary increase bonus pursuant to this section to
21 include, but not be limited to, a process by which a teacher will
22 verify that they are still a full-time classroom teacher at a school
23 identified in need of improvement as provided for in subsection B of
24 this section.

1 SECTION 3. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 698.4 of Title 70, unless there
3 is created a duplication in numbering, reads as follows:

4 A. There is hereby created the Teacher Recruitment Incentive
5 Program.

6 B. It is the intent of the Oklahoma Legislature that, beginning
7 with the 2013-2014 school year, the Oklahoma State Regents for
8 Higher Education establish a Teacher Recruitment Incentive Program
9 for students with a bachelor's degree who return to school to earn a
10 master's degree in a subject area and become certified to teach in
11 that subject area and who declare an intention to serve and
12 subsequently serve this state by teaching in a public school of this
13 state for a minimum of five (5) years. Students meeting the
14 criteria provided in this section shall be given the opportunity to
15 enter into participation in the Program.

16 C. The Oklahoma State Regents for Higher Education are
17 authorized to make teacher recruitment incentive payments pursuant
18 to the provisions of this section to persons who actually render a
19 minimum of five (5) years of service as teachers in the public
20 schools of this state. The total amount of the employment incentive
21 payments for any qualified person shall not exceed an amount equal
22 to three times the average annual cost of undergraduate resident
23 tuition and fees for full-time enrollment at institutions which
24 offer teacher education programs within The Oklahoma State System of

1 Higher Education, as defined by the State Regents. Any amount not
2 necessary to repay the balance of a student's loan(s) shall be paid
3 directly to any person otherwise eligible for teacher recruitment
4 incentive payments pursuant to this section.

5 D. The Oklahoma State Regents for Higher Education shall
6 require the execution of appropriate contracts with eligible
7 persons. Persons failing to comply with the requirements of this
8 section shall not be eligible for the teacher recruitment incentive
9 payments provided for in this section. The Chancellor of the
10 Oklahoma State Regents for Higher Education, with approval of the
11 State Regents, may contract with any other appropriate organization
12 or unit of government for the administration of the provisions of
13 this section.

14 E. If insufficient funds are available for teacher recruitment
15 incentive payments to qualified persons during any fiscal year, the
16 Chancellor may make reductions in the payments made to those
17 qualifying.

18 SECTION 4. NEW LAW A new section of law to be codified
19 in the Oklahoma Statutes as Section 3-170 of Title 70, unless there
20 is created a duplication in numbering, reads as follows:

21 There is hereby created the School Supply Fund Program.

22 SECTION 5. This act shall become effective July 1, 2013.

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24 52-2-9280 KB 01/08/10