

1 STATE OF OKLAHOMA

2 1st Session of the 52nd Legislature (2009)

3 SENATE BILL 526

By: Johnson (Constance)

4  
5  
6 AS INTRODUCED

7 An Act relating to amusements and sports and labor;  
8 amending Section 14, Chapter 58, O.S.L. 2003, as last  
9 amended by Section 1, Chapter 389, O.S.L. 2008 (3A  
10 O.S. Supp. 2008, Section 713), which relates to the  
11 Oklahoma Education Lottery Act; modifying authorized  
12 use of Oklahoma Education Lottery Trust Fund;  
13 requiring school districts to provide living wage to  
14 certain employees; requiring payment of a living  
15 wage; defining term; providing for adjustment;  
16 specifying employees required to receive certain  
17 wage; providing for codification; providing an  
18 effective date; and declaring an emergency.

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

20 SECTION 1. AMENDATORY Section 14, Chapter 58, O.S.L.  
21 2003, as last amended by Section 1, Chapter 389, O.S.L. 2008 (3A  
22 O.S. Supp. 2008, Section 713), is amended to read as follows:

23 Section 713. A. All gross proceeds shall be the property of  
24 the Oklahoma Lottery Commission. From its gross proceeds, the  
Commission shall pay the operating expenses of the Commission. At  
least forty-five percent (45%) of gross proceeds shall be made  
available as prize money. However, the provisions of this  
subsection shall be deemed not to create any lien, entitlement,

1 cause of action, or other private right, and any rights of holders  
2 of tickets or shares shall be determined by the Commission in  
3 setting the terms of its lottery or lotteries. For each fiscal  
4 year, net proceeds shall equal at least thirty-five percent (35%) of  
5 the gross proceeds. However, for the purpose of repaying  
6 indebtedness issued pursuant to Section 732 of this title, for the  
7 first two (2) full fiscal years and any partial first fiscal year of  
8 the Commission, net proceeds need only equal at least thirty percent  
9 (30%) of the gross proceeds. All of the net proceeds shall be  
10 transferred to the Oklahoma Education Lottery Trust Fund as provided  
11 in subsection B of this section.

12 B. There is hereby created in the State Treasury a fund to be  
13 designated the "Oklahoma Education Lottery Trust Fund". Except as  
14 otherwise provided in subsections H and I of this section, on or  
15 before the fifteenth day of each calendar quarter, the Commission  
16 shall transfer to the State Treasurer, for credit to the Oklahoma  
17 Education Lottery Trust Fund, the amount of all net proceeds  
18 accruing during the preceding calendar quarter. Expenditures from  
19 the fund shall be made upon warrants issued by the State Treasurer  
20 against claims filed as prescribed by law with the Director of State  
21 Finance for approval and payment.

22 Upon their deposit into the State Treasury, any monies  
23 representing a deposit of net proceeds shall then become the  
24 unencumbered property of this state, and neither the Commission nor

1 the board of trustees shall have the power to agree or undertake  
2 otherwise. The monies shall be invested by the State Treasurer in  
3 accordance with state investment practices. All earnings  
4 attributable to such investments shall likewise be the unencumbered  
5 property of the state and shall accrue to the credit of the fund.

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

8 1. Forty-five percent (45%) for the following:

9 a. kindergarten through twelfth grade public education,  
10 including but not limited to compensation and benefits  
11 for public school teachers and support employees.

12 School districts shall dedicate such funds as are  
13 necessary to provide a living wage for school district  
14 support employees and employees of contractors, and

15 b. early childhood development programs, which shall  
16 include but not be limited to costs associated with  
17 prekindergarten and full-day kindergarten programs;

18 2. Forty-five percent (45%) for the following:

19 a. tuition grants, loans and scholarships to citizens of  
20 this state to enable such citizens to attend colleges  
21 and universities located within this state, regardless  
22 of whether such colleges and universities are owned or  
23 operated by the Oklahoma State Regents for Higher  
24 Education, or to attend institutions operated under

1 the authority of the Oklahoma Department of Career and  
2 Technology Education; provided such tuition grants,  
3 loans and scholarships shall not be made to a citizen  
4 of this state to attend a college or university which  
5 is not accredited by the Oklahoma State Regents for  
6 Higher Education,

7 b. construction of educational facilities for elementary  
8 school districts, independent school districts, the  
9 Oklahoma State System of Higher Education, and career  
10 and technology education,

11 c. capital outlay projects for elementary school  
12 districts, independent school districts, the Oklahoma  
13 State System of Higher Education, and career and  
14 technology education,

15 d. technology for public elementary school district,  
16 independent school district, state higher education,  
17 and career and technology education facilities, which  
18 shall include but not be limited to costs of providing  
19 to teachers at accredited public institutions who  
20 teach levels kindergarten through twelfth grade,  
21 personnel at technology centers under the authority of  
22 the Oklahoma State Department of Career and Technology  
23 Education, and professors and instructors within the  
24 Oklahoma State System of Higher Education, the

1 necessary training in the use and application of  
2 computers and advanced electronic instructional  
3 technology to implement interactive learning  
4 environments in the classroom and to access the state-  
5 wide distance learning network and costs associated  
6 with repairing and maintaining advanced electronic  
7 instructional technology,

8 e. endowed chairs for professors at institutions of  
9 higher education operated by the Oklahoma State System  
10 of Higher Education, and

11 f. programs and personnel of the Oklahoma School for the  
12 Deaf and the Oklahoma School for the Blind;

13 3. Five percent (5%) to the School Consolidation and Assistance  
14 Fund. When the total amount in the School Consolidation and  
15 Assistance Fund from all sources equals Five Million Dollars  
16 (\$5,000,000.00), all monies appropriated pursuant to this paragraph  
17 which would otherwise be deposited in the School Consolidation and  
18 Assistance Fund in excess of Five Million Dollars (\$5,000,000.00)  
19 shall be allocated by the State Department of Education to public  
20 schools based on the audited end-of-year average daily membership in  
21 grades 8 through 12 during the preceding school year for the purpose  
22 of purchasing technology equipment in order to conduct on-line  
23 testing as required by the Achieving Classroom Excellence Act of  
24 2005. If at any time the total amount in the School Consolidation

1 and Assistance Fund drops below Five Million Dollars  
2 (\$5,000,000.00), the monies appropriated pursuant to this paragraph  
3 shall be deposited in the School Consolidation and Assistance Fund  
4 until the Fund again reaches Five Million Dollars (\$5,000,000; and

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

7 D. The Legislature shall appropriate funds from the Oklahoma  
8 Education Lottery Trust Fund only for the purposes specified in  
9 subsection C of this section. Even when funds from the trust fund  
10 are used for these purposes, the Legislature shall not use funds  
11 from the trust fund to supplant or replace other state funds  
12 supporting common education, higher education, or career and  
13 technology education.

14 E. In order to ensure that the funds from the trust fund are  
15 used to enhance and not supplant funding for education, the State  
16 Board of Equalization shall examine and investigate appropriations  
17 from the trust fund each year. At the meeting of the State Board of  
18 Equalization held within five (5) days after the monthly  
19 apportionment in February of each year, the State Board of  
20 Equalization shall issue a finding and report which shall state  
21 whether appropriations from the trust fund were used to enhance or  
22 supplant education funding. If the State Board of Equalization  
23 finds that education funding was supplanted by funds from the trust  
24 fund, the Board shall specify the amount by which education funding

1 was supplanted. In this event, the Legislature shall not make any  
2 appropriations for the ensuing fiscal year until an appropriation in  
3 that amount is made to replenish the trust fund.

4 F. Except as otherwise provided by this subsection, no  
5 deficiency in the Oklahoma Education Lottery Trust Fund shall be  
6 replenished by reducing any nonlottery funds, including specifically  
7 but without limitation, the General Revenue Fund, the Constitutional  
8 Reserve Fund or the Education Reform Revolving Fund of the State  
9 Department of Education. No program or project started specifically  
10 from lottery proceeds shall be continued from the General Revenue  
11 Fund, the Constitutional Reserve Fund or the Education Reform  
12 Revolving Fund of the State Department of Education. Such programs  
13 must be adjusted or discontinued according to available lottery  
14 proceeds unless the Legislature by general law establishes  
15 eligibility requirements and appropriates specific funds therefor.  
16 No surplus in the Oklahoma Education Lottery Trust Fund shall be  
17 reduced or transferred to correct any nonlottery deficiencies in  
18 sums available for general appropriations. The provisions of this  
19 subsection shall not apply to bonds or other obligations issued  
20 pursuant to or to the repayment of bonds or other obligations issued  
21 pursuant to the Oklahoma Higher Education Promise of Excellence Act  
22 of 2005.

23 G. There is hereby created in the State Treasury a revolving  
24 fund to be designated the "Oklahoma Education Lottery Revolving

1 Fund". The fund shall be a continuing fund, not subject to fiscal  
2 year limitations, and shall consist of all monies received by the  
3 Commission. The Commission shall make payments of net proceeds from  
4 the fund to the Oklahoma Education Lottery Trust Fund on or before  
5 the fifteenth day of each calendar quarter as provided in subsection  
6 B of this section. All monies accruing to the credit of the  
7 Oklahoma Education Lottery Revolving Fund are hereby appropriated  
8 and may be budgeted and expended for the payment of net proceeds,  
9 prizes, commissions to retailers, administrative expenses and all  
10 other expenses arising out of the operation of the education  
11 lottery, subject to the limitations provided in the Oklahoma  
12 Education Lottery Act. Expenditures from the fund shall be made  
13 upon warrants issued by the State Treasurer against claims filed as  
14 prescribed by law with the Director of State Finance for approval  
15 and payment.

16 The monies in the fund shall be invested by the State Treasurer  
17 in accordance with state investment practices. All earnings  
18 attributable to such investments shall likewise accrue to the credit  
19 of the fund.

20 H. When appropriations from the Oklahoma Education Lottery  
21 Trust Fund are made to common education pursuant to the provisions  
22 of paragraph 1 of subsection C of this section, the appropriations  
23 shall be made available on a monthly basis. In addition to the  
24 provisions of subsection B of this section, the following process

1 shall be used to insure that the appropriations are made available  
2 to common education in a timely manner:

3 1. Beginning in July of the fiscal year in which appropriations  
4 are made to common education from the Oklahoma Education Lottery  
5 Trust Fund, the Commission, on or before the ninth day of each  
6 month, shall transfer to the State Treasurer, for credit to the  
7 Oklahoma Education Lottery Trust Fund, the amount of net proceeds  
8 accruing during the preceding month equal to the amount of total  
9 monthly collections due to common education as required by paragraph  
10 1 of subsection C of this section;

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

15 3. The total amount of transfers to the Oklahoma Education  
16 Lottery Trust Fund of net lottery proceeds made pursuant to this  
17 subsection shall not exceed the total appropriations made to common  
18 education from the Oklahoma Education Lottery Trust Fund for the  
19 specific fiscal year.

20 I. When appropriations from the Oklahoma Education Lottery  
21 Trust Fund are made to The Oklahoma State System of Higher  
22 Education, the appropriations shall be made available to the System  
23 on a monthly basis. In addition to the provisions of subsection B  
24 of this section, the following process shall be used to insure that

1 the appropriations are made available to The Oklahoma State System  
2 of Higher Education in a timely manner:

3 1. Beginning in July of the fiscal year in which appropriations  
4 are made to The Oklahoma State System of Higher Education from the  
5 Oklahoma Education Lottery Trust Fund, the Commission, on or before  
6 the ninth day of each month, shall transfer to the State Treasurer,  
7 for credit to the Oklahoma Education Lottery Trust Fund, the amount  
8 of net proceeds accruing during the preceding month equal to the  
9 amount of total monthly collections due to the Oklahoma State  
10 Regents for Higher Education as required by paragraph 2 of  
11 subsection C of this section;

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

17 3. The total amount of transfers to the Oklahoma Education  
18 Lottery Trust Fund of net lottery proceeds made pursuant to this  
19 subsection shall not exceed the total appropriations made to The  
20 Oklahoma State System for Higher Education from the Oklahoma  
21 Education Lottery Trust Fund for the specific fiscal year.

22 SECTION 2. NEW LAW A new section of law to be codified  
23 in the Oklahoma Statutes as Section 196 of Title 40, unless there is  
24 created a duplication in numbering, reads as follows:

1 A living wage for school district employees, excluding teachers,  
2 and employees of contractors shall be paid to those employees as  
3 provided herein. "Living wage for school district employees and  
4 employees of contractors" shall mean a wage payment at an initial  
5 hourly rate of no less than Eleven Dollars and sixty-seven cents  
6 (\$11.67) per hour. This rate shall be adjusted annually beginning  
7 on July 1, 2008, by an amount corresponding to the change in the  
8 Consumer Price Index for Urban Wage Earners and Clerical Workers  
9 from the previous year as compiled by the Bureau of Labor  
10 Statistics. This wage shall be a minimum wage for any such worker  
11 employed by the school district, excluding teachers, and for any  
12 employee of a contractor or subcontractor working for the school  
13 district on a service contract who is performing work on that  
14 contract.

15 SECTION 3. This act shall become effective July 1, 2009.

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

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