

1 subsection shall be deemed not to create any lien, entitlement,
2 cause of action, or other private right, and any rights of holders
3 of tickets or shares shall be determined by the Commission in
4 setting the terms of its lottery or lotteries. For each fiscal
5 year, net proceeds shall equal at least thirty-five percent (35%) of
6 the gross proceeds. However, for the purpose of repaying
7 indebtedness issued pursuant to Section 732 of this title, for the
8 first two (2) full fiscal years and any partial first fiscal year of
9 the Commission, net proceeds need only equal at least thirty percent
10 (30%) of the gross proceeds. All of the net proceeds shall be
11 transferred to the Oklahoma Education Lottery Trust Fund as provided
12 in subsection B of this section.

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

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

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

- 11 1. Forty-five percent (45%) for the ~~following~~:
 - 12 a. ~~kindergarten through twelfth grade public education,~~
 - 13 ~~including but not limited to compensation and benefits~~
 - 14 ~~for public school teachers and support employees, 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 Common Education Lottery Revolving Fund, as created in
 - 19 Section 2 of this act;

- 20 2. Forty-five percent (45%) for the following:
 - 21 a. tuition grants, loans and scholarships to citizens of
 - 22 this state to enable such citizens to attend colleges
 - 23 and universities located within this state, regardless

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

10 b. construction of educational facilities for elementary
11 school districts, independent school districts, The
12 Oklahoma State System of Higher Education, and career
13 and technology education,

14 c. capital outlay projects for elementary school
15 districts, independent school districts, The Oklahoma
16 State System of Higher Education, and career and
17 technology education,

18 d. technology for public elementary school district,
19 independent school district, state higher education,
20 and career and technology education facilities, which
21 shall include but not be limited to costs of providing
22 to teachers at accredited public institutions who
23 teach levels kindergarten through twelfth grade,

1 personnel at technology centers under the authority of
2 the Oklahoma ~~State~~ Department of Career and Technology
3 Education, and professors and instructors within The
4 Oklahoma State System of Higher Education, the
5 necessary training in the use and application of
6 computers and advanced electronic instructional
7 technology to implement interactive learning
8 environments in the classroom and to access the state-
9 wide distance learning network and costs associated
10 with repairing and maintaining advanced electronic
11 instructional technology,

12 e. endowed chairs for professors at institutions of
13 higher education operated by The Oklahoma State System
14 of Higher Education, and

15 f. programs and personnel of the Oklahoma School for the
16 Deaf and the Oklahoma School for the Blind;

17 3. Five percent (5%) to the School Consolidation and Assistance
18 Fund. When the total amount in the School Consolidation and
19 Assistance Fund from all sources equals Five Million Dollars
20 (\$5,000,000.00), all monies appropriated pursuant to this paragraph
21 which would otherwise be deposited in the School Consolidation and
22 Assistance Fund in excess of Five Million Dollars (\$5,000,000.00)
23 shall be allocated by the State Department of Education to public
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1 schools based on the audited end-of-year average daily membership in
2 grades 8 through 12 during the preceding school year for the purpose
3 of purchasing technology equipment in order to conduct online
4 testing as required by the Achieving Classroom Excellence Act of
5 2005. If at any time the total amount in the School Consolidation
6 and Assistance Fund drops below Five Million Dollars
7 (\$5,000,000.00), the monies appropriated pursuant to this paragraph
8 shall be deposited in the School Consolidation and Assistance Fund
9 until the Fund again reaches Five Million Dollars (\$5,000,000.00);
10 and

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

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

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

11 F. Except as otherwise provided by this subsection, no
12 deficiency in the Oklahoma Education Lottery Trust Fund shall be
13 replenished by reducing any nonlottery funds, including specifically
14 but without limitation, the General Revenue Fund, the Constitutional
15 Reserve Fund or the Education Reform Revolving Fund of the State
16 Department of Education. No program or project started specifically
17 from lottery proceeds shall be continued from the General Revenue
18 Fund, the Constitutional Reserve Fund or the Education Reform
19 Revolving Fund of the State Department of Education. Such programs
20 must be adjusted or discontinued according to available lottery
21 proceeds unless the Legislature by general law establishes
22 eligibility requirements and appropriates specific funds therefor.
23 No surplus in the Oklahoma Education Lottery Trust Fund shall be

1 reduced or transferred to correct any nonlottery deficiencies in
2 sums available for general appropriations. The provisions of this
3 subsection shall not apply to bonds or other obligations issued
4 pursuant to or to the repayment of bonds or other obligations issued
5 pursuant to the Oklahoma Higher Education Promise of Excellence Act
6 of 2005.

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

1 The monies in the fund shall be invested by the State Treasurer
2 in accordance with state investment practices. All earnings
3 attributable to such investments shall likewise accrue to the credit
4 of the fund.

5 H. When appropriations from the Oklahoma Education Lottery
6 Trust Fund are made to common education pursuant to the provisions
7 of paragraph 1 of subsection C of this section, the appropriations
8 shall be made available on a monthly basis. In addition to the
9 provisions of subsection B of this section, the following process
10 shall be used to insure that the appropriations are made available
11 to common education in a timely manner:

12 1. Beginning in July of the fiscal year in which appropriations
13 are made to common education from the Oklahoma Education Lottery
14 Trust Fund, the Commission, on or before the ninth day of each
15 month, shall transfer to the State Treasurer, for credit to the
16 Oklahoma Education Lottery Trust Fund, the amount of net proceeds
17 accruing during the preceding month equal to the amount of total
18 monthly collections due to common education as required by paragraph
19 1 of subsection C of this section;

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

1 3. The total amount of transfers to the Oklahoma Education
2 Lottery Trust Fund of net lottery proceeds made pursuant to this
3 subsection shall not exceed the total appropriations made to common
4 education from the Oklahoma Education Lottery Trust Fund for the
5 specific fiscal year.

6 I. When appropriations from the Oklahoma Education Lottery
7 Trust Fund are made to The Oklahoma State System of Higher
8 Education, the appropriations shall be made available to the System
9 on a monthly basis. In addition to the provisions of subsection B
10 of this section, the following process shall be used to insure that
11 the appropriations are made available to The Oklahoma State System
12 of Higher Education in a timely manner:

13 1. Beginning in July of the fiscal year in which appropriations
14 are made to The Oklahoma State System of Higher Education from the
15 Oklahoma Education Lottery Trust Fund, the Commission, on or before
16 the ninth day of each month, shall transfer to the State Treasurer,
17 for credit to the Oklahoma Education Lottery Trust Fund, the amount
18 of net proceeds accruing during the preceding month equal to the
19 amount of total monthly collections due to the Oklahoma State
20 Regents for Higher Education as required by paragraph 2 of
21 subsection C of this section;

22 2. The Director of the Office of State Finance shall allocate
23 the transfers provided for in paragraph 1 of this subsection to the
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UNDERLINED language denotes Amendments to present Statutes.
BOLD FACE CAPITALIZED language denotes Committee Amendments.
~~Strike thru~~ language denotes deletion from present Statutes.

1 Oklahoma State Regents for Higher Education on a monthly basis, not
2 to exceed one-twelfth (1/12) of the annual apportionment for the
3 fiscal year; and

4 3. The total amount of transfers to the Oklahoma Education
5 Lottery Trust Fund of net lottery proceeds made pursuant to this
6 subsection shall not exceed the total appropriations made to The
7 Oklahoma State System for Higher Education from the Oklahoma
8 Education Lottery Trust Fund for the specific fiscal year.

9 SECTION 2. NEW LAW A new section of law to be codified
10 in the Oklahoma Statutes as Section 3-181 of Title 70, unless there
11 is created a duplication in numbering, reads as follows:

12 A. There is hereby created in the State Treasury a revolving
13 fund for the State Board of Education to be designated the "Common
14 Education Lottery Revolving Fund". The fund shall be a continuing
15 fund, not subject to fiscal year limitations, and shall consist of
16 all monies received by the State Board of Education from
17 appropriations made from the Oklahoma Education Lottery Trust Fund
18 pursuant to paragraph 1 of subsection C of Section 713 of Title 3A
19 of the Oklahoma Statutes and any other funds obtained or received
20 for the Common Education Lottery Revolving Fund. All monies
21 accruing to the credit of the Common Education Lottery Revolving
22 Fund are hereby appropriated and may be budgeted and expended by the
23 State Board of Education as authorized in subsection B of this

1 section. Expenditures from the Common Education Lottery Revolving
2 Fund shall be made upon warrants issued by the State Treasurer
3 against claims filed as prescribed by law with the Director of the
4 Office of State Finance for approval and payment. The monies in the
5 Common Education Lottery Revolving Fund shall be invested by the
6 State Treasurer in accordance with state investment practices. All
7 earnings attributable to such investments shall likewise accrue to
8 the credit of the Common Education Lottery Revolving Fund.

9 B. On or before August 15, 2011, and on or before the fifteenth
10 day of each calendar month thereafter, all monies accruing to the
11 credit of the Common Education Lottery Revolving Fund shall be
12 distributed by the State Board of Education to all common school
13 districts, based on the audited end-of-year Average Daily Membership
14 (ADM) for the preceding school year.

15 SECTION 3. This act shall become effective July 1, 2011.

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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21 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET, dated
22 03-03-2011 - DO PASS, As Amended and Coauthored.

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