

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 Management and Enterprise Services for approval and
23 payment.

24

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 and

19 c. beginning in the fiscal year ending June 30, 2014, and
20 each fiscal year thereafter, the Common Education
21 Lottery Revolving Fund created in Section 2 of this
22 act. The Legislature shall appropriate funds for the
23 financial support of public schools in an amount equal

24

1 to the amount appropriated to the Common Education
2 Lottery Revolving Fund;

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

- 4 a. tuition grants, loans and scholarships to citizens of
5 this state to enable such citizens to attend colleges
6 and universities located within this state, regardless
7 of whether such colleges and universities are owned or
8 operated by the Oklahoma State Regents for Higher
9 Education, or to attend institutions operated under
10 the authority of the Oklahoma Department of Career and
11 Technology Education; provided such tuition grants,
12 loans and scholarships shall not be made to a citizen
13 of this state to attend a college or university which
14 is not accredited by the Oklahoma State Regents for
15 Higher 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,

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

24

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

15 F. Except as otherwise provided by this subsection, no
16 deficiency in the Oklahoma Education Lottery Trust Fund shall be
17 replenished by reducing any nonlottery funds, including specifically
18 but without limitation, the General Revenue Fund, the Constitutional
19 Reserve Fund or the Education Reform Revolving Fund of the State
20 Department of Education. No program or project started specifically
21 from lottery proceeds shall be continued from the General Revenue
22 Fund, the Constitutional Reserve Fund or the Education Reform
23 Revolving Fund of the State Department of Education. Such programs
24 must be adjusted or discontinued according to available lottery

1 proceeds unless the Legislature by general law establishes
2 eligibility requirements and appropriates specific funds therefor.
3 No surplus in the Oklahoma Education Lottery Trust Fund shall be
4 reduced or transferred to correct any nonlottery deficiencies in
5 sums available for general appropriations. The provisions of this
6 subsection shall not apply to bonds or other obligations issued
7 pursuant to or to the repayment of bonds or other obligations issued
8 pursuant to the Oklahoma Higher Education Promise of Excellence Act
9 of 2005.

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

1 prescribed by law with the Director of the Office of Management and
2 Enterprise Services for approval and payment.

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

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

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

1 2. The Director of the Office of Management and Enterprise
2 Services shall allocate the transfers provided for in paragraph 1 of
3 this subsection to the ~~State Department of Education~~ Common
4 Education Lottery Revolving Fund on a monthly basis, not to exceed
5 one-twelfth (1/12) of the annual apportionment for the fiscal year;
6 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~~ the Common Education Lottery Revolving Fund from the
11 Oklahoma Education Lottery Trust Fund for the 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 ensure 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 Management and Enterprise
5 Services shall allocate the transfers provided for in paragraph 1 of
6 this subsection to the Oklahoma State Regents for Higher Education
7 on a monthly basis, not to exceed one-twelfth (1/12) of the annual
8 apportionment for the 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 3-181 of Title 70, unless there
16 is created a duplication in numbering, reads as follows:

17 A. There is hereby created in the State Treasury a revolving
18 fund for the State Board of Education to be designated the "Common
19 Education Lottery Revolving Fund". The fund shall be a continuing
20 fund, not subject to fiscal year limitations, and shall consist of
21 all monies received by the State Board of Education from
22 appropriations made from the Oklahoma Education Lottery Trust Fund
23 pursuant to subparagraph c of paragraph 1 of subsection C of Section
24 713 of Title 3A of the Oklahoma Statutes and any other funds

1 obtained or received by the Board. All monies accruing to the
2 credit of the fund are hereby appropriated and may be budgeted and
3 expended by the State Board of Education as authorized in subsection
4 B of this section. Expenditures from the fund shall be made upon
5 warrants issued by the State Treasurer against claims filed as
6 prescribed by law with the Director of the Office of Management and
7 Enterprise Services for approval and payment. The monies in the
8 fund shall be invested by the State Treasurer in accordance with
9 state investment practices. All earnings attributable to such
10 investments shall likewise accrue to the credit of the fund.

11 B. On or before August 15, 2013, and on or before the fifteenth
12 day of each calendar month thereafter, all monies accruing to the
13 credit of the Common Education Lottery Revolving Fund shall be
14 distributed by the State Board of Education to all common school
15 districts based on the preceding year average daily membership.
16 Common school districts may use the monies for kindergarten through
17 twelfth grade public education, including but not limited to
18 compensation and benefits for public school teachers and support
19 employees, and for early childhood development programs, including
20 but not limited to costs associated with prekindergarten and full-
21 day kindergarten programs.

22 SECTION 3. This act shall become effective July 1, 2013.

23 SECTION 4. It being immediately necessary for the preservation
24 of the public peace, health and safety, an emergency is hereby

1 declared to exist, by reason whereof this act shall take effect and
2 be in full force from and after its passage and approval.

3

4 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET, dated
5 03/05/2013 - DO PASS, As Amended and Coauthored.

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24