

1 ENGROSSED SENATE AMENDMENT
TO

2 ENGROSSED HOUSE
BILL NO. 2764

By: Montgomery of the House

and

Ford of the Senate

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7 An Act relating to education***authorizing executive
8 director or chief administrative officer; specifying
9 powers and duties with regard to employees; imposing
10 time limit for certain recognition of exempt status;
11 providing for receipt of contributions***providing
12 for expenditures; prescribing procedures for
13 expenditures; providing for income tax checkoff for
14 the Oklahoma Education Finance Authority Endowment
15 Fund; prescribing procedures for individuals and
16 corporations; providing for codification; and
17 providing an effective date.

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23 AUTHOR: Add the following House Coauthor: Wood

24 AUTHOR: Add the following Senate Coauthor: Loveless

AMENDMENT NO. 1. Page 1, strike the title, enacting clause and
entire bill and insert

"[education - Oklahoma Education Finance Authority -
board of trustees - receipt of contributions -
investment of principal - expenditure of earnings -
Oklahoma Education Finance Authority Endowment Fund -
codification - effective date]

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

1 SECTION 1. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 28-101 of Title 70, unless there
3 is created a duplication in numbering, reads as follows:

4 A. There is hereby created the Oklahoma Education Finance
5 Authority.

6 B. The Authority shall be governed by a board of trustees
7 consisting of seven (7) members to be selected or appointed as
8 follows:

9 1. The Superintendent of Public Instruction or a designee shall
10 serve as chair of the Authority;

11 2. Two persons appointed by the Governor, one of whom shall be
12 a member of a statewide association representing school boards of
13 common school districts and one of whom shall be a member of a
14 statewide association representing classroom teachers;

15 3. Two persons appointed by the Speaker of the House of
16 Representatives, one of whom shall have substantial experience in
17 the financial services industry and one of whom shall be a member of
18 a statewide association representing school administration; and

19 4. Two persons appointed by the President Pro Tempore of the
20 Senate, one of whom shall have substantial experience in the
21 financial services industry.

22 C. One of the appointees initially appointed by the Governor
23 shall serve a term of two (2) years. The other appointee shall
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1 serve a term of three (3) years. Thereafter, the term for all
2 appointees of the Governor shall be for three (3) years.

3 D. One of the appointees initially appointed by the Speaker of
4 the House of Representatives shall serve a term of two (2) years.
5 The other appointee shall serve a term of three (3) years.
6 Thereafter, the term of the appointees of the Speaker of the House
7 of Representatives shall be for three (3) years.

8 E. One of the appointees initially appointed by the President
9 Pro Tempore of the Senate shall serve a term of two (2) years. The
10 other appointee shall serve a term of three (3) years. Thereafter,
11 the term of the appointees of the President Pro Tempore shall be for
12 three (3) years.

13 F. The Authority shall be subject to the Oklahoma Open Meeting
14 Act.

15 G. Unless a specific exemption is applicable, the Authority
16 shall be subject to the Oklahoma Open Records Act.

17 H. The Authority shall have the power to adopt administrative
18 rules, and such rulemaking shall be subject to the applicable
19 provisions of the Administrative Procedures Act.

20 I. A majority of the membership of the board of trustees shall
21 be required to conduct business or take any official action.

22 J. The Authority shall meet as often as required in order to
23 perform the duties imposed upon it but shall meet no less often than
24 quarterly during a calendar or fiscal year.

1 K. Within thirty (30) days from the effective date of this act
2 or within thirty (30) days from the date by which all required
3 appointments to the board of trustees have been made, whichever date
4 occurs last, the Authority shall make application to the Internal
5 Revenue Service for recognition of exempt status either for the
6 Authority or an entity created pursuant to the Oklahoma General
7 Corporation Act, the Oklahoma Limited Liability Company Act, the
8 Oklahoma Revised Uniform Partnership Act or such other enactment as
9 may be required in order to provide a method pursuant to which
10 contributions for the purposes described by this act may be made to
11 an entity so that the contributions would be eligible for a
12 deduction as a charitable contribution pursuant to the Internal
13 Revenue Code of 1986, as amended.

14 L. The Authority shall utilize the services of the Office of
15 the State Treasurer to manage the funds under its control with the
16 care, skill, prudence and diligence under the circumstances then
17 prevailing that a prudent person acting in a like capacity and
18 familiar with such matters would use in the conduct of an enterprise
19 of a like character and with like aims and by diversifying the
20 investments of the Authority so as to minimize the risk of large
21 losses, unless under the circumstances it is clearly prudent not to
22 do so.

23 M. The Authority and the State Treasurer may engage the
24 services of professional investment advisors, professional fund

1 managers or such other professional services as may be required in
2 order to perform the duties imposed upon it pursuant to law.

3 N. Except as provided by subsection P of this section, neither
4 the Authority nor the State Treasurer shall expend any principal
5 amount of funds donated pursuant to the provisions of this act, and
6 the Authority may only expend interest income, dividend income,
7 proceeds from the sale of assets under its control, if any, or other
8 forms of earnings based upon the investment of the principal amount
9 forming the corpus of the Oklahoma Education Finance Authority
10 Endowment Fund.

11 O. Earnings as described by subsection N of this section may
12 only be expended for salary increases for classroom teachers
13 employed by a common school district, bonuses for such classroom
14 teachers, textbooks, supplies or other materials used in the
15 classroom for a common school district, grants for capital
16 improvements made by a common school district and training or
17 continuing education programs for classroom teachers.

18 P. Not more than one and five-tenths percent (1.5%) of the
19 earnings from the Oklahoma Education Finance Authority Endowment
20 Fund may be used for the administrative costs of the Authority which
21 shall include any per diem or travel expenses for the members of the
22 board of trustees.

23 Q. For the fiscal years ending June 30, 2017, and June 30,
24 2018, not more than two percent (2%) of the principal of the

1 Oklahoma Education Finance Authority Endowment Fund may be used for
2 the administrative costs of the Authority.

3 R. The Authority shall create and maintain or cause to be
4 created and maintained an Internet website which provides detailed
5 information regarding amounts contributed to the Oklahoma Education
6 Finance Authority Endowment Fund, the expenses of the fund and the
7 operational expenditures of the Authority. Such information shall
8 also be compiled into an annual report and provided to each person
9 or entity making a contribution to the Authority.

10 SECTION 2. NEW LAW A new section of law to be codified
11 in the Oklahoma Statutes as Section 28-102 of Title 70, unless there
12 is created a duplication in numbering, reads as follows:

13 There is hereby created in the State Treasury a revolving fund
14 for the Oklahoma Education Finance Authority to be designated the
15 "Oklahoma Education Finance Authority Endowment Fund". The fund
16 shall be a continuing fund, not subject to fiscal year limitations,
17 and shall consist of all monies received by the Oklahoma Education
18 Finance Authority from contributions made to the Authority or from
19 other lawfully authorized sources including funds from income tax
20 checkoffs authorized pursuant to Section 3 of this act. All monies
21 accruing to the credit in the form of interest income, earnings,
22 dividends or other sources of income not consisting of principal or
23 corpus of the fund are hereby appropriated and may be budgeted and
24 expended by the Oklahoma Education Finance Authority for the purpose

1 of providing funding for common education as described in Section 1
2 of this act. Expenditures from the fund shall be made upon warrants
3 issued by the State Treasurer against claims filed as prescribed by
4 law with the Director of the Office of Management and Enterprise
5 Services for approval and payment.

6 SECTION 3. NEW LAW A new section of law to be codified
7 in the Oklahoma Statutes as Section 2368.28 of Title 68, unless
8 there is created a duplication in numbering, reads as follows:

9 A. Each state individual income tax return form for tax years
10 which begin after December 31, 2016, and each state corporate tax
11 return form for tax years beginning after December 31, 2016, shall
12 contain a provision to allow a donation from a tax refund for the
13 benefit of the Oklahoma Education Finance Authority Endowment Fund
14 as follows:

15 "Support of Oklahoma Education Finance Authority Endowment Fund.
16 Check if you wish to donate from your tax refund: () \$2, () \$5,
17 or () \$_____."

18 B. Except as otherwise provided for in this section, all monies
19 generated pursuant to subsection A of this section shall be paid to
20 the State Treasurer by the Oklahoma Tax Commission and placed to the
21 credit of the Income Tax Checkoff Revolving Fund for the Support of
22 Oklahoma Education Finance Authority Endowment Fund created in
23 subsection C of this section.

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1 C. There is hereby created in the State Treasury a revolving
2 fund for the Oklahoma Education Finance Authority to be designated
3 the "Income Tax Checkoff Revolving Fund for the Support of Oklahoma
4 Education Finance Authority Endowment Fund". The fund shall be a
5 continuing fund, not subject to fiscal year limitations, and shall
6 consist of all monies apportioned to the fund pursuant to the
7 provisions of this section. All monies accruing to the credit of
8 the fund are hereby appropriated and may be budgeted and expended by
9 the Oklahoma Education Finance Authority for the purpose of funding
10 common education in this state consistent with the requirements of
11 Section 1 of this act. Expenditures from the fund shall be made
12 upon warrants issued by the State Treasurer against claims filed as
13 prescribed by law with the Director of the Office of Management and
14 Enterprise Services for approval and payment.

15 D. If a taxpayer makes a donation pursuant to subsection A of
16 this section in error, such taxpayer may file a claim for refund at
17 any time within three (3) years from the due date of the tax return.
18 Such claims shall be filed pursuant to the provisions of Section
19 2373 of Title 68 of the Oklahoma Statutes. Prior to the
20 apportionment set forth in this section, an amount equal to the
21 total amount of refunds made pursuant to this subsection during any
22 one (1) year shall be deducted from the total donations received
23 pursuant to this section during the following year and such amount
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1 deducted shall be paid to the State Treasurer and placed to the
2 credit of the Income Tax Withholding Refund Account.

3 SECTION 4. This act shall become effective November 1, 2016."

4 and when the title is restored, amend the title to
5 conform

6 Passed the Senate the 20th day of April, 2016.

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Presiding Officer of the Senate

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10 Passed the House of Representatives the ____ day of _____,
11 2016.

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Presiding Officer of the House
of Representatives

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