

1 STATE OF OKLAHOMA

2 1st Session of the 55th Legislature (2015)

3 HOUSE BILL 1733

By: Roberts (Sean)

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5
6 AS INTRODUCED

7 An Act relating to higher education; creating the
8 Oklahoma Community College Scholarship Act; providing
9 definitions; requiring the Oklahoma State Regents for
10 Higher Education to administer the Oklahoma Community
11 College Scholarship Program for certain students
12 under certain terms and conditions; requiring
13 students to be enrolled full-time; providing for
14 exceptions; requiring completion of an application;
15 requiring students to maintain certain grade point
16 average; requiring students to participate in
17 mentoring and community service programs; directing
18 the State Regents to develop the programs;
19 establishing amount of scholarship; allowing students
20 who take medical or personal leave to remain eligible
21 for the scholarship; establishing time limits on
22 eligibility; requiring continuous enrollment;
23 providing for allocation of scholarships from the
24 Oklahoma Community College Scholarship Trust Fund;
creating the Oklahoma Community College Scholarship
Trust Fund; making the State Regents the trustees;
providing for utilization of Trust Fund; stating
source of funding; providing for budgeting and
expenditures; providing for accrual of income and
investment return; allowing use of Trust Fund
principal for certain purposes; prohibiting use of
Trust Funds for administrative expenses; providing
for payment of administrative expenses from certain
budget; directing the State Regents to adopt rules
for the transfer of funds; limiting allocations from
the Trust Fund; prohibiting use of Trust Fund for
certain administrative and operating expenses;
amending 3A O.S. 2011, Section 713, as amended by
Section 27, Chapter 304, O.S.L. 2012 (3A O.S. Supp.
2014, Section 713), which relates to the Oklahoma
Education Lottery Act; modifying appropriation of

1 monies in the Oklahoma Education Lottery Trust Fund;
2 providing for appropriation of certain amount to the
3 Oklahoma Community College Scholarship Trust Fund;
4 providing for codification; providing an effective
5 date; and declaring an emergency.

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

7 SECTION 1. NEW LAW A new section of law to be codified
8 in the Oklahoma Statutes as Section 2641 of Title 70, unless there
9 is created a duplication in numbering, reads as follows:

10 This act shall be known and may be cited as the "Oklahoma
11 Community College Scholarship Act".

12 SECTION 2. NEW LAW A new section of law to be codified
13 in the Oklahoma Statutes as Section 2642 of Title 70, unless there
14 is created a duplication in numbering, reads as follows:

15 A. As used in the Oklahoma Community College Scholarship Act:

16 1. "Continuous enrollment" means a student is enrolled in the
17 fall and spring semesters of a single academic year. Enrollment in
18 summer semester or inter-session terms shall not be required;

19 2. "Eligible high school" means a high school accredited by the
20 State Board of Education, the Oklahoma School of Science and
21 Mathematics, a private school located in the state or an educational
22 program that is provided through a means other than a public or
23 private school;

1 3. "Eligible postsecondary institution" means an institution
2 which is a member of The Oklahoma State System of Higher Education,
3 a postsecondary vocational-technical program offered pursuant to a
4 duly approved cooperative agreement between a technology center
5 school and an institution of The Oklahoma State System of Higher
6 Education, or a private institution of higher learning located
7 within this state and accredited pursuant to Section 4103 of Title
8 70 of the Oklahoma Statutes;

9 4. "Full-time student" means a student who is enrolled in a
10 minimum of twelve (12) semester hours or its equivalent;

11 5. "Gift aid" means scholarships and grants from any source
12 that do not require repayment, including funds provided through the
13 federal Foster Care Independence Act of 1999 and other similar
14 programs. Student loans and work-study awards shall not be
15 considered gift aid;

16 6. "Resident" means a student who is a resident of the state;
17 and

18 7. "State Regents" means the Oklahoma State Regents for Higher
19 Education.

20 B. The Oklahoma State Regents for Higher Education shall
21 administer the Oklahoma Community College Scholarship Program for
22 Oklahoma residents seeking an associate's degree, certificate or
23 diploma from an eligible postsecondary institution under the
24 following terms and conditions:

1 1. To be eligible for the scholarship a student shall be
2 admitted to, and enrolled full-time in, an eligible postsecondary
3 program in the fall term following graduation from an eligible high
4 school or obtaining a GED state diploma; provided, that the student
5 obtains the GED state diploma prior to the student reaching nineteen
6 (19) years of age. Exceptions to initial enrollment may be made for
7 extenuating circumstances as provided in rules promulgated by the
8 State Regents;

9 2. Students applying for the scholarship shall complete the
10 scholarship application for their initial year of enrollment in
11 accordance with the schedule determined by the State Regents.
12 Students shall complete the free application for federal student aid
13 (FAFSA) each academic year in which they seek to receive the
14 scholarship;

15 3. To continue to receive a scholarship at an eligible two-year
16 or four-year postsecondary institution, a student shall maintain a
17 minimum cumulative grade point average of 2.0 as set forth in the
18 rules promulgated by the State Regents or maintain satisfactory
19 academic progress as determined by the institution;

20 4. Scholarship recipients shall participate in mentoring and
21 community service programs under the rules promulgated by the State
22 Regents. The State Regents shall develop the selection and renewal
23 criteria for students and shall have the authority to work with
24 outside organizations to develop the most effective means for

1 delivering the scholarships. In selecting outside organizations for
2 participation in the scholarship program, the State Regents shall
3 give preference to locally established entities that meet designated
4 standards specified in the rules for the program;

5 5. A scholarship at a two-year postsecondary institution which
6 is a member of The Oklahoma State System of Higher Education or a
7 technology center school shall be the cost of tuition and mandatory
8 fees at the eligible postsecondary institution attended less all
9 other gift aid. Gift aid shall be credited first to the tuition and
10 mandatory fees of the student;

11 6. Notwithstanding paragraph 5 of this subsection, the amount
12 of the scholarship at an eligible four-year postsecondary
13 institution which is a member of The Oklahoma State System of Higher
14 Education or an eligible private institution shall be the average
15 cost of tuition and mandatory fees at public two-year postsecondary
16 institutions less all other gift aid. Gift aid shall be credited
17 first to the average tuition and mandatory fees as described in
18 paragraph 5 of this subsection;

19 7. A scholarship student who has an approved medical or
20 personal leave of absence from an eligible postsecondary institution
21 may continue to receive the scholarship upon resuming the student's
22 education at an eligible postsecondary institution so long as the
23 student continues to meet all applicable eligibility requirements.
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1 The sum of all approved leaves of absence shall not exceed six (6)
2 months;

3 8. A student shall be eligible for the scholarship until the
4 occurrence of the first of the following events:

5 a. the student has earned a diploma or associate's
6 degree, or

7 b. the sum of the number of years the student attended a
8 postsecondary institution, exclusive of approved
9 leaves of absence, equals two and one-half (2 1/2)
10 years from the date of initial enrollment by the
11 student at an eligible postsecondary institution; and

12 9. Except for a medical or personal leave of absence, as
13 approved by an eligible postsecondary institution, a scholarship
14 student shall maintain continuous enrollment at an eligible
15 postsecondary institution.

16 C. Subject to the availability of funds, scholarships shall be
17 awarded by allocation from the Oklahoma Community College
18 Scholarship Trust Fund created in Section 3 of this act.

19 SECTION 3. NEW LAW A new section of law to be codified
20 in the Oklahoma Statutes as Section 2643 of Title 70, unless there
21 is created a duplication in numbering, reads as follows:

22 A. There is hereby created a trust fund to be known as the
23 "Oklahoma Community College Scholarship Trust Fund". The Oklahoma
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1 State Regents for Higher Education shall be the trustees of the
2 Trust Fund.

3 B. The State Regents shall utilize the Trust Fund to implement
4 the provisions of Section 2 of this act.

5 C. The Trust Fund principal shall consist of monies the
6 Legislature appropriates pursuant to paragraph 5 of subsection C of
7 Section 713 of Title 3A of the Oklahoma Statutes and other monies
8 the Legislature appropriates or transfers to the Oklahoma State
9 Regents for Higher Education for the Trust Fund and any monies or
10 assets contributed to the Trust Fund from any other source, public
11 or private. All monies accruing to the credit of the Trust Fund are
12 hereby appropriated and may be budgeted and expended by the State
13 Regents. Expenditures from the Trust Fund shall be made upon
14 warrants issued by the State Treasurer against claims filed as
15 prescribed by law with the Director of the Office of Management and
16 Enterprise Services for approval and payment.

17 D. Notwithstanding other provisions of law, income and
18 investment return on Trust Fund principal shall accrue to the Trust
19 Fund for use as provided by authorization of the trustees for the
20 purposes provided in Section 2 of this act. The State Regents may
21 also utilize the Trust Fund principal for the purposes provided in
22 Section 2 of this act. Except as otherwise provided by law, no such
23 income or investment return or principal shall be used for
24 administrative expenses. Expenses incurred by the State Regents in

1 the administration of the Trust Fund and of the Oklahoma Community
2 College Scholarship Program established by the Oklahoma Community
3 College Scholarship Act shall be paid from monies appropriated to
4 the State Regents coordinating board for their general operating
5 budget.

6 E. The State Regents shall adopt rules for accomplishing
7 transfer of funds from the Oklahoma Community College Scholarship
8 Trust Fund to the appropriate institutional Educational and General
9 Operations Revolving Funds, as provided for in Section 3901 of Title
10 70 of the Oklahoma Statutes, to private institutions, and to the
11 appropriate technology center school district to cover general
12 enrollment fees or tuition for eligible students pursuant to the
13 Oklahoma Community College Scholarship Act. Allocations from the
14 Trust Fund may be made only for the purpose of covering the general
15 enrollment fees or tuition of eligible students. No portion of the
16 Trust Fund may be used or allocated for administrative or operating
17 expenses of any higher education institution or technology center
18 school.

19 SECTION 4. AMENDATORY 3A O.S. 2011, Section 713, as
20 amended by Section 27, Chapter 304, O.S.L. 2012 (3A O.S. Supp. 2014,
21 Section 713), is amended to read as follows:

22 Section 713. A. All gross proceeds shall be the property of
23 the Oklahoma Lottery Commission. From its gross proceeds, the
24 Commission shall pay the operating expenses of the Commission. At

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

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

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

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

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

- 14 a. kindergarten through twelfth grade public education,
15 including but not limited to compensation and benefits
16 for public school teachers and support employees, and
- 17 b. early childhood development programs, which shall
18 include but not be limited to costs associated with
19 prekindergarten and full-day kindergarten programs;

20 2. ~~Forty-five percent (45%)~~ Twenty-five percent (25%) for the
21 following:

- 22 a. tuition grants, loans and scholarships to citizens of
23 this state to enable such citizens to attend colleges
24 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,
24 personnel at technology centers under the authority of

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

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

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

16 3. Five percent (5%) to the School Consolidation and Assistance
17 Fund. When the total amount in the School Consolidation and
18 Assistance Fund from all sources equals Five Million Dollars
19 (\$5,000,000.00), all monies appropriated pursuant to this paragraph
20 which would otherwise be deposited in the School Consolidation and
21 Assistance Fund in excess of Five Million Dollars (\$5,000,000.00)
22 shall be allocated by the State Department of Education to public
23 schools based on the audited end-of-year average daily membership in
24 grades 8 through 12 during the preceding school year for the purpose

1 of purchasing technology equipment in order to conduct on-line
2 testing as required by the Achieving Classroom Excellence Act of
3 2005. If at any time the total amount in the School Consolidation
4 and Assistance Fund drops below Five Million Dollars
5 (\$5,000,000.00), the monies appropriated pursuant to this paragraph
6 shall be deposited in the School Consolidation and Assistance Fund
7 until the Fund again reaches Five Million Dollars (\$5,000,000; ~~and~~

8 4. Five percent (5%) to the Teachers' Retirement System
9 Dedicated Revenue Revolving Fund; and

10 5. Twenty percent (20%) to the Oklahoma Community College
11 Scholarship Trust Fund created in Section 3 of this act.

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

19 E. In order to ensure that the funds from the trust fund are
20 used to enhance and not supplant funding for education, the State
21 Board of Equalization shall examine and investigate appropriations
22 from the trust fund each year. At the meeting of the State Board of
23 Equalization held within five (5) days after the monthly
24 apportionment in February of each year, the State Board of

1 Equalization shall issue a finding and report which shall state
2 whether appropriations from the trust fund were used to enhance or
3 supplant education funding. If the State Board of Equalization
4 finds that education funding was supplanted by funds from the trust
5 fund, the Board shall specify the amount by which education funding
6 was supplanted. In this event, the Legislature shall not make any
7 appropriations for the ensuing fiscal year until an appropriation in
8 that amount is made to replenish the trust fund.

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

1 pursuant to or to the repayment of bonds or other obligations issued
2 pursuant to the Oklahoma Higher Education Promise of Excellence Act
3 of 2005.

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

21 The monies in the fund shall be invested by the State Treasurer
22 in accordance with state investment practices. All earnings
23 attributable to such investments shall likewise accrue to the credit
24 of the fund.

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

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

16 2. The Director of the Office of Management and Enterprise
17 Services shall allocate the transfers provided for in paragraph 1 of
18 this subsection to the State Department of Education on a monthly
19 basis, not to exceed one-twelfth (1/12) of the annual apportionment
20 for the fiscal year; and

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

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

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

19 2. The Director of the Office of Management and Enterprise
20 Services shall allocate the transfers provided for in paragraph 1 of
21 this subsection to the Oklahoma State Regents for Higher Education
22 on a monthly basis, not to exceed one-twelfth (1/12) of the annual
23 apportionment for the fiscal year; and
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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 The
4 Oklahoma State System for Higher Education from the Oklahoma
5 Education Lottery Trust Fund for the specific fiscal year.

6 SECTION 5. This act shall become effective July 1, 2015.

7 SECTION 6. It being immediately necessary for the preservation
8 of the public peace, health and safety, an emergency is hereby
9 declared to exist, by reason whereof this act shall take effect and
10 be in full force from and after its passage and approval.

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12 55-1-6503 KB 01/15/15
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