

STATE OF OKLAHOMA

2nd Session of the 56th Legislature (2018)

HOUSE JOINT
RESOLUTION 1049

By: McBride

AS INTRODUCED

A Joint Resolution directing the Secretary of State to refer to the people for their approval or rejection a proposed amendment to Section 40 of Article X of the Constitution of the State of Oklahoma; modifying provisions related to apportionment of monies paid pursuant to the Master Settlement Agreement; providing for apportionment of certain percentage of monies to the Tobacco Settlement Endowment Trust Fund; creating the Health-Care-Related Teacher Compensation Fund; providing for expenditure of monies from fund; prescribing purpose of expenditure; prohibiting enactment of certain laws inconsistent with provisions related to the Health-Care-Related Teacher Compensation Fund; imposing duties on State Department of Education; providing for apportionment of monies to the Oklahoma Department of Mental Health and Substance Abuse Services; providing purpose of expenditures to perform agency duties; providing ballot title; and directing filing.

BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES AND THE SENATE OF THE
2ND SESSION OF THE 56TH OKLAHOMA LEGISLATURE:

SECTION 1. The Secretary of State shall refer to the people for their approval or rejection, as and in the manner provided by law,

1 the following proposed amendment to Section 40 of Article X of the
2 Constitution of the State of Oklahoma to read as follows:

3 Section 40. A. There is hereby created a trust fund to be
4 known as the "Tobacco Settlement Endowment Trust Fund". The Except
5 as provided by subsection H of this section, the trust fund
6 principal shall consist of the portion of monies which are received
7 by the State of Oklahoma on or after July 1, 2001, pursuant to any
8 settlement with or judgment against any tobacco company or companies
9 as provided by subsection B of this section, and any other monies
10 that may be appropriated or otherwise directed to the trust fund by
11 the Legislature.

12 B. 1. Deposits into the trust fund from monies which are
13 received by the State of Oklahoma pursuant to any settlement with or
14 judgment against any tobacco company or companies shall be based on
15 the following schedule:

Fiscal Year	Minimum Percentage of Payments
Ending June 30, 2002	50%
Ending June 30, 2003	55%
Ending June 30, 2004	60%
Ending June 30, 2005	65%
Ending June 30, 2006	70%
Ending June 30, 2007	75%

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1 2. ~~Deposits~~ Except as provided by subsection H of this section,
2 deposits into the trust fund in subsequent fiscal years shall never
3 be less than seventy-five percent (75%) of the payments.

4 3. The monies received by the State of Oklahoma pursuant to any
5 settlement with or judgment against any tobacco company or companies
6 after June 30, 2001, but not later than June 30, 2019, not deposited
7 into the trust fund as provided in this section, shall be deposited
8 into a special fund established by the Legislature solely for the
9 purpose of receiving the payments; provided, the Legislature may, by
10 law, direct a certain portion of such monies to the Office of the
11 Attorney General. The special fund shall be subject to legislative
12 appropriations.

13 C. There is hereby created the Board of Investors of the
14 Tobacco Settlement Endowment Trust Fund. The Board of Investors
15 shall have the duty of investing monies in the trust fund, subject
16 to restrictions and limitations provided by law for and in
17 accordance with laws applicable to the investment of monies in state
18 retirement funds.

19 The Board of Investors shall consist of five (5) members as
20 follows:

- 21 1. The State Treasurer who shall be the chair;
- 22 2. An appointee of the Governor;
- 23 3. An appointee of the Speaker of the House of Representatives;
- 24 4. An appointee of the President Pro Tempore of the Senate; and

1 5. An appointee of the State Auditor and Inspector.

2 The initial appointees shall serve staggered terms of office as
3 provided for by law. Thereafter, appointees shall serve four-year
4 terms of office. No more than two appointees shall be appointed
5 from any single congressional district. All appointed members shall
6 have demonstrated expertise in public or private investment funds
7 management.

8 D. There is hereby created the Board of Directors of the
9 Tobacco Settlement Endowment Trust Fund. The Board of Directors
10 shall consist of seven (7) members, one appointed by each of the
11 following appointing authorities:

- 12 1. The Governor;
- 13 2. The President Pro Tempore of the Senate;
- 14 3. The Speaker of the House of Representatives;
- 15 4. The Attorney General;
- 16 5. The State Treasurer;
- 17 6. The State Auditor and Inspector; and
- 18 7. The State Superintendent of Public Instruction.

19 The initial appointed members shall serve staggered terms of
20 office as provided for by law. Thereafter, the appointed members of
21 the Board of Directors shall serve seven-year terms of office. At
22 least one appointee shall be appointed from each congressional
23 district, and not more than two appointees shall be appointed from
24 any single congressional district. Not more than four appointees

1 shall be members of the same political party. An appointee shall
2 have been a member of the political party to which the appointee
3 belongs for at least one (1) year prior to the date of appointment.
4 Appointees shall have demonstrated expertise in public or private
5 health care or programs related to or for the benefit of children or
6 senior adults.

7 The Board of Directors shall meet at least one time each
8 calendar quarter.

9 E. Earnings from the trust fund, including but not limited to
10 interest, dividends, and realized capital gains from investments of
11 the trust fund shall be expended as provided in subsection F of this
12 section for the following purposes:

13 1. Clinical and basic research and treatment efforts in
14 Oklahoma for the purpose of enhancing efforts to prevent and combat
15 cancer and other tobacco-related diseases;

16 2. Cost-effective tobacco prevention and cessation programs;

17 3. Programs other than those specified in paragraph 1 of this
18 subsection designed to maintain or improve the health of Oklahomans
19 or to enhance the provision of health care services to Oklahomans,
20 with particular emphasis on such programs for children;

21 4. Programs and services for the benefit of the children of
22 Oklahoma, with particular emphasis on common and higher education,
23 before- and after-school and pre-school programs, substance abuse
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1 prevention and treatment programs and other programs and services
2 designed to improve the health and quality of life of children;

3 5. Programs designed to enhance the health and well-being of
4 senior adults; and

5 6. Authorized administrative expenses of the Office of the
6 State Treasurer and the Board of Directors.

7 F. Each fiscal year, the Board of Directors may expend the
8 amount of earnings which actually accrued to the trust fund during
9 the preceding fiscal year. Any amount not so expended shall remain
10 in the trust fund. The Board shall direct specific expenditures to
11 be made for the purposes specified in subsection E of this section.

12 G. ~~The~~ Except as provided by subsection H of this section, the
13 Legislature may enact laws to further implement the provisions of
14 this section.

15 H. Beginning July 1, 2019:

16 1. Five percent (5%) of any monies paid to the State of
17 Oklahoma pursuant to the Master Settlement Agreement shall be paid
18 into the principal of the Tobacco Settlement Endowment Trust Fund;
19 and

20 2. Ninety-five percent (95%) of any monies paid to the State of
21 Oklahoma pursuant to the Master Settlement Agreement shall be
22 apportioned as follows:

23 a. fifty percent (50%) shall be deposited into the

24 "Health-Care-Related Teacher Compensation Fund", which

1 fund is hereby created. The State Department of
2 Education shall make distribution of ninety percent
3 (90%) of the balance contained in the Health-Care-
4 Related Teacher Compensation Fund at the same time
5 during the fiscal year as the initial allocations of
6 appropriated money are made by the State Department of
7 Education from funds appropriated by the Legislature
8 for the benefit of common schools. The funds
9 distributed pursuant to this subparagraph shall be
10 used for the compensation of certified classroom
11 teachers the duties of which include the promotion of
12 health of students attending grades prekindergarten
13 through the twelfth grade. The monies in the Health-
14 Care-Related Teacher Compensation Fund shall not be
15 transferred, appropriated or diverted for any other
16 purpose than described in this subparagraph. The
17 provisions of subsection G of this section shall not
18 be applicable to the provisions of this subparagraph
19 and the Legislature shall not enact any laws
20 inconsistent with the requirements of this subsection,
21 and

22 b. fifty percent (50%) shall be apportioned to Oklahoma
23 State Department of Mental Health and Substance Abuse

1 Services to perform the duties imposed upon the agency
2 by law.

3 SECTION 2. The Ballot Title for the proposed Constitutional
4 amendment as set forth in SECTION 1 of this resolution shall be in
5 the following form:

6 BALLOT TITLE

7 Legislative Referendum No. _____ State Question No. _____

8 THE GIST OF THE PROPOSITION IS AS FOLLOWS:

9 The State of Oklahoma receives money from certain tobacco
10 companies. Monies are paid to the State because of a settlement
11 reached by Oklahoma and other states in 1998. Payments by
12 tobacco companies are paid into the Tobacco Settlement Endowment
13 Trust Fund. Earnings from the Trust Fund are spent on health-
14 care-related programs. This measure would change use of some
15 monies under the settlement. Five percent (5%) would still be
16 placed into the Tobacco Settlement Endowment Trust Fund.
17 Ninety-five percent (95%) would be split between two purposes.
18 Fifty percent (50%) would go into a new fund known as the
19 Health-Care-Related Teacher Compensation Fund. Monies in this
20 fund would be used each year to pay part of the compensation for
21 certain classroom teachers. Teachers for classes in
22 prekindergarten through twelfth grade related to good health
23 would receive a pay increase. The Department of Education could
24 not use more than ninety percent (90%) of the balance in this

1 fund each year. No money in the new fund could be used for any
2 other purpose. The remaining fifty percent (50%) would be
3 apportioned to the Oklahoma Department of Mental Health and
4 Substance Abuse Services for the agency to use to perform its
5 duties.

6 SHALL THE PROPOSAL BE APPROVED?

7 FOR THE PROPOSAL — YES _____

8 AGAINST THE PROPOSAL — NO _____

9 SECTION 3. The Chief Clerk of the House of Representatives,
10 immediately after the passage of this resolution, shall prepare and
11 file one copy thereof, including the Ballot Title set forth in
12 SECTION 2 hereof, with the Secretary of State and one copy with the
13 Attorney General.

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