

STATE OF OKLAHOMA

2nd Session of the 58th Legislature (2022)

COMMITTEE SUBSTITUTE  
FOR

HOUSE BILL NO. 4388

By: Hilbert

COMMITTEE SUBSTITUTE

[ amusements and sports - Oklahoma Education Lottery  
Act - Teacher Empowerment Revolving Fund -  
effective date - conditional effect ]

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

SECTION 1. AMENDATORY 3A O.S. 2021, Section 713, is  
amended to read as follows:

Section 713. A. All gross proceeds shall be the property of  
the Oklahoma Lottery Commission. From its gross proceeds, the  
Commission shall pay the operating expenses of the Commission. At  
least forty-five percent (45%) of gross proceeds shall be made  
available as prize money. However, the provisions of this  
subsection shall be deemed not to create any lien, entitlement,  
cause of action, or other private right, and any rights of holders  
of tickets or shares shall be determined by the Commission in  
setting the terms of its lottery or lotteries.

1       B. The Oklahoma Lottery Commission shall submit a written  
2 report of its findings and any recommendations regarding the impact  
3 of removing the requirement that net proceeds shall equal at least  
4 thirty-five percent (35%) of the gross proceeds. The report shall  
5 be submitted to the Governor, the Speaker of the Oklahoma House of  
6 Representatives and the President Pro Tempore of the Oklahoma State  
7 Senate not later than October 1, 2020, and annually thereafter.

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

19       D. Upon their deposit into the State Treasury, any monies  
20 representing a deposit of net proceeds shall then become the  
21 unencumbered property of this state, and neither the Commission nor  
22 the board of trustees shall have the power to agree or undertake  
23 otherwise. The monies shall be invested by the State Treasurer in  
24 accordance with state investment practices. All earnings

1 attributable to such investments shall likewise be the unencumbered  
2 property of the state and shall accrue to the credit of the fund  
3 provided for in subsection C of this section.

4 ~~E. Monies in~~ 1. The first Sixty Million Dollars  
5 (\$60,000,000.00) of monies contributed annually to the Oklahoma  
6 Education Lottery Trust Fund shall only be appropriated as follows:

7 ~~1.~~ a. Forty-five percent (45%) for the following:

8 ~~a.~~ (1) kindergarten through twelfth grade public

9 education, including but not limited to

10 compensation and benefits for public school

11 teachers and support employees, and

12 ~~b.~~ (2) early childhood development programs, which shall

13 include but not be limited to costs associated

14 with prekindergarten and full-day kindergarten

15 programs~~;~~ ,

16 ~~2.~~ b. Forty-five percent (45%) for the following:

17 ~~a.~~ (1) tuition grants, loans and scholarships to

18 citizens of this state to enable such citizens to

19 attend colleges and universities located within

20 this state, regardless of whether such colleges

21 and universities are owned or operated by the

22 Oklahoma State Regents for Higher Education, or

23 to attend institutions operated under the

24 authority of the Oklahoma Department of Career

1 and Technology Education; provided such tuition  
2 grants, loans and scholarships shall not be made  
3 to a citizen of this state to attend a college or  
4 university which is not accredited by the  
5 Oklahoma State Regents for Higher Education,

6 ~~b.~~ (2) construction of educational facilities for  
7 elementary school districts, independent school  
8 districts, The Oklahoma State System of Higher  
9 Education, and career and technology education,

10 ~~c.~~ (3) capital outlay projects for elementary school  
11 districts, independent school districts, The  
12 Oklahoma State System of Higher Education, and  
13 career and technology education,

14 ~~d.~~ (4) technology for public elementary school district,  
15 independent school district, state higher  
16 education, and career and technology education  
17 facilities, which shall include but not be  
18 limited to costs of providing to teachers at  
19 accredited public institutions who teach levels  
20 kindergarten through twelfth grade, personnel at  
21 technology centers under the authority of the  
22 Oklahoma State Department of Career and  
23 Technology Education, and professors and  
24 instructors within The Oklahoma State System of

1 Higher Education, the necessary training in the  
2 use and application of computers and advanced  
3 electronic instructional technology to implement  
4 interactive learning environments in the  
5 classroom and to access the statewide distance  
6 learning network and costs associated with  
7 repairing and maintaining advanced electronic  
8 instructional technology,

9 ~~e.~~ (5) endowed chairs for professors at institutions of  
10 higher education operated by The Oklahoma State  
11 System of Higher Education, and

12 ~~f.~~ (6) programs and personnel of the Oklahoma School for  
13 the Deaf and the Oklahoma School for the Blind, ~~and~~

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

1 school year for the purpose of purchasing technology  
2 equipment. If at any time the total amount in the  
3 School Consolidation and Assistance Fund drops below  
4 Five Million Dollars (\$5,000,000.00), the monies  
5 appropriated pursuant to this paragraph shall be  
6 deposited in the School Consolidation and Assistance  
7 Fund until the Fund again reaches Five Million Dollars  
8 (\$5,000,000.00) ~~+~~ and

9 ~~4.~~ d. Five percent (5%) to the Teachers' Retirement System  
10 Dedicated Revenue Revolving Fund.

11 In no instance shall the annual maximum percentage for  
12 administrative costs, not including marketing and advertising costs,  
13 funds set aside for prizes, commissions paid to retailers, contract  
14 fees paid to gaming system vendors and instant ticket providers or  
15 emergency-related capital expenses, exceed three percent (3%) of  
16 sales.

17 ~~F.~~ 2. The remaining portion of lottery annual net proceeds  
18 deposited to the Oklahoma Education Lottery Trust Fund that exceeds  
19 Sixty Million Dollars (\$60,000,000.00) shall be deposited to the  
20 credit of the Teacher Empowerment Revolving Fund created in Section  
21 2 of this act.

22 E. The Legislature shall appropriate funds from the Oklahoma  
23 Education Lottery Trust Fund only for the purposes specified in  
24 subsection ~~E~~ D of this section. Even when funds from the trust fund

1 are used for these purposes, the Legislature shall not use funds  
2 from the trust fund to supplant or replace other state funds  
3 supporting common education, higher education, or career and  
4 technology education.

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

19 ~~H.~~ G. Except as otherwise provided by this subsection, no  
20 deficiency in the Oklahoma Education Lottery Trust Fund shall be  
21 replenished by reducing any nonlottery funds, including specifically  
22 but without limitation, the General Revenue Fund, the Constitutional  
23 Reserve Fund or the Education Reform Revolving Fund of the State  
24 Department of Education. No program or project started specifically

1 from lottery proceeds shall be continued from the General Revenue  
2 Fund, the Constitutional Reserve Fund or the Education Reform  
3 Revolving Fund of the State Department of Education. Such programs  
4 must be adjusted or discontinued according to available lottery  
5 proceeds unless the Legislature by general law establishes  
6 eligibility requirements and appropriates specific funds therefor.  
7 No surplus in the Oklahoma Education Lottery Trust Fund shall be  
8 reduced or transferred to correct any nonlottery deficiencies in  
9 sums available for general appropriations. The provisions of this  
10 subsection shall not apply to bonds or other obligations issued  
11 pursuant to or to the repayment of bonds or other obligations issued  
12 pursuant to the Oklahoma Higher Education Promise of Excellence Act  
13 of 2005.

14 ~~F.~~ H. There is hereby created in the State Treasury a revolving  
15 fund to be designated the "Oklahoma Education Lottery Revolving  
16 Fund". The fund shall be a continuing fund, not subject to fiscal  
17 year limitations, and shall consist of all monies received by the  
18 Commission. The Commission shall make payments of net proceeds from  
19 the fund to the Oklahoma Education Lottery Trust Fund on or before  
20 the fifteenth day of each calendar quarter as provided in subsection  
21 C of this section. All monies accruing to the credit of the  
22 Oklahoma Education Lottery Revolving Fund are hereby appropriated  
23 and may be budgeted and expended for the payment of net proceeds,  
24 prizes, commissions to retailers, administrative expenses and all



1 other expenses arising out of the operation of the education  
2 lottery, subject to the limitations provided in the Oklahoma  
3 Education Lottery Act. Expenditures from the fund shall be made  
4 upon warrants issued by the State Treasurer against claims filed as  
5 prescribed by law with the Director of the Office of Management and  
6 Enterprise Services for approval and payment.

7 The monies in the fund shall be invested by the State Treasurer  
8 in accordance with state investment practices. All earnings  
9 attributable to such investments shall likewise accrue to the credit  
10 of the fund.

11 ~~J.~~ I. When appropriations from the Oklahoma Education Lottery  
12 Trust Fund are made to common education pursuant to the provisions  
13 of subparagraph a of paragraph 1 of subsection ~~E~~ D of this section,  
14 the appropriations shall be made available on a monthly basis. In  
15 addition to the provisions of subsections C and D of this section,  
16 the following process shall be used to ensure that the  
17 appropriations are made available to common education in a timely  
18 manner:

19 1. Beginning in July of the fiscal year in which appropriations  
20 are made to common education from the Oklahoma Education Lottery  
21 Trust Fund, the Commission, on or before the ninth day of each  
22 month, shall transfer to the State Treasurer, for credit to the  
23 Oklahoma Education Lottery Trust Fund, the amount of net proceeds  
24 accruing during the preceding month equal to the amount of total

1 monthly collections due to common education as required by  
2 subparagraph a of paragraph 1 of subsection ~~E~~ D of this section;

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

8 3. The total amount of transfers to the Oklahoma Education  
9 Lottery Trust Fund of net lottery proceeds made pursuant to this  
10 subsection shall not exceed the total appropriations made to common  
11 education from the Oklahoma Education Lottery Trust Fund for the  
12 specific fiscal year.

13 ~~K.~~ J. When appropriations from the Oklahoma Education Lottery  
14 Trust Fund are made to The Oklahoma State System of Higher  
15 Education, the appropriations shall be made available to the System  
16 on a monthly basis. In addition to the provisions of subsections C  
17 and D of this section, the following process shall be used to ensure  
18 that the appropriations are made available to The Oklahoma State  
19 System of Higher Education in a timely manner:

20 1. Beginning in July of the fiscal year in which appropriations  
21 are made to The Oklahoma State System of Higher Education from the  
22 Oklahoma Education Lottery Trust Fund, the Commission, on or before  
23 the ninth day of each month, shall transfer to the State Treasurer,  
24 for credit to the Oklahoma Education Lottery Trust Fund, the amount

1 of net proceeds accruing during the preceding month equal to the  
2 amount of total monthly collections due to the Oklahoma State  
3 Regents for Higher Education as required by subparagraph b of  
4 paragraph ~~2~~ 1 of subsection ~~E~~ D of this section;

5       2. The Director of the Office of Management and Enterprise  
6 Services shall allocate the transfers provided for in paragraph 1 of  
7 this subsection to the Oklahoma State Regents for Higher Education  
8 on a monthly basis, not to exceed one-twelfth (1/12) of the annual  
9 apportionment for the fiscal year; and

10       3. The total amount of transfers to the Oklahoma Education  
11 Lottery Trust Fund of net lottery proceeds made pursuant to this  
12 subsection shall not exceed the total appropriations made to The  
13 Oklahoma State System for Higher Education from the Oklahoma  
14 Education Lottery Trust Fund for the specific fiscal year.

15       SECTION 2.       NEW LAW       A new section of law to be codified  
16 in the Oklahoma Statutes as Section 6-190.2 of Title 70, unless  
17 there is created a duplication in numbering, reads as follows:

18       A. There is hereby created in the State Treasury a revolving  
19 fund for the State Department of Education to be designated the  
20 "Teacher Empowerment Revolving Fund". The revolving fund shall be a  
21 continuing fund, without legislative appropriation, not subject to  
22 fiscal year limitations, and shall be under the control and  
23 management of the State Department of Education. Expenditures from  
24

1 the Teacher Empowerment Revolving Fund shall be budgeted and  
2 expended as provided for in subsection B of this section.

3 B. The State Department of Education shall utilize the funds  
4 for the program outlined in Section 6-190 of Title 70 of the  
5 Oklahoma Statutes. Funding shall go toward advanced, lead, and  
6 master certificate holders on a first-come, first-served basis until  
7 the cash is exhausted for the school year. Funds from the Teacher  
8 Empowerment Revolving Fund shall serve as a state match to local  
9 dollars each school district contributes to their advanced, lead,  
10 and master teachers as provided in Section 713 of Title 3A of the  
11 Oklahoma Statutes.

12 SECTION 3. This act shall become effective November 1, 2022.

13 SECTION 4. The provisions of this act shall be contingent upon  
14 the enactment of the provisions of House Bill No. 4387 of the 2nd  
15 Session of the 58th Oklahoma Legislature and shall not become  
16 operative as law otherwise.

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