

1 STATE OF OKLAHOMA

2 2nd Session of the 58th Legislature (2022)

3 HOUSE BILL 3369

By: Roberts (Eric)

4
5
6 AS INTRODUCED

7 An Act relating to veterans education programs;
8 amending 3A O.S. 2021, Section 713, which relates to
9 the apportionment of revenues from the Oklahoma
10 Lottery; providing for additional game; providing for
11 appropriation to the Oklahoma Department of Veterans
12 Affairs; providing for use of revenues to provide
13 certain services to qualified veterans; requiring
14 administrative rules; providing for codification;
15 providing an effective date; and declaring an
16 emergency.

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

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

20 Section 713. A. All gross proceeds shall be the property of
21 the Oklahoma Lottery Commission. From its gross proceeds, the
22 Commission shall pay the operating expenses of the Commission. At
23 least forty-five percent (45%) of gross proceeds shall be made
24 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

1 of tickets or shares shall be determined by the Commission in
2 setting the terms of its lottery or lotteries.

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

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

21 D. Upon their deposit into the State Treasury, any monies
22 representing a deposit of net proceeds shall then become the
23 unencumbered property of this state, and neither the Commission nor
24 the board of trustees shall have the power to agree or undertake

1 otherwise. The monies shall be invested by the State Treasurer in
2 accordance with state investment practices. All earnings
3 attributable to such investments shall likewise be the unencumbered
4 property of the state and shall accrue to the credit of the fund
5 provided for in subsection C of this section.

6 E. Monies in the Oklahoma Education Lottery Trust Fund shall
7 only be appropriated as follows:

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

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

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

- 16 a. tuition grants, loans and scholarships to citizens of
17 this state to enable such citizens to attend colleges
18 and universities located within this state, regardless
19 of whether such colleges and universities are owned or
20 operated by the Oklahoma State Regents for Higher
21 Education, or to attend institutions operated under
22 the authority of the Oklahoma Department of Career and
23 Technology Education; provided such tuition grants,
24 loans and scholarships shall not be made to a citizen

1 of this state to attend a college or university which
2 is not accredited by the Oklahoma State Regents for
3 Higher Education,

4 b. construction of educational facilities for elementary
5 school districts, independent school districts, The
6 Oklahoma State System of Higher Education, and career
7 and technology education,

8 c. capital outlay projects for elementary school
9 districts, independent school districts, The Oklahoma
10 State System of Higher Education, and career and
11 technology education,

12 d. technology for public elementary school district,
13 independent school district, state higher education,
14 and career and technology education facilities, which
15 shall include but not be limited to costs of providing
16 to teachers at accredited public institutions who
17 teach levels kindergarten through twelfth grade,
18 personnel at technology centers under the authority of
19 the Oklahoma State Department of Career and Technology
20 Education, and professors and instructors within The
21 Oklahoma State System of Higher Education, the
22 necessary training in the use and application of
23 computers and advanced electronic instructional
24 technology to implement interactive learning

1 environments in the classroom and to access the
2 statewide distance learning network and costs
3 associated with repairing and maintaining advanced
4 electronic instructional technology,

5 e. endowed chairs for professors at institutions of
6 higher education operated by The Oklahoma State System
7 of Higher Education, and

8 f. programs and personnel of the Oklahoma School for the
9 Deaf and the Oklahoma School for the Blind;

10 3. Five percent (5%) to the School Consolidation and Assistance
11 Fund. When the total amount in the School Consolidation and
12 Assistance Fund from all sources equals Five Million Dollars
13 (\$5,000,000.00), all monies appropriated pursuant to this paragraph
14 which would otherwise be deposited in the School Consolidation and
15 Assistance Fund in excess of Five Million Dollars (\$5,000,000.00)
16 shall be allocated by the State Department of Education to public
17 schools based on the audited end-of-year average daily membership in
18 grades 8 through 12 during the preceding school year for the purpose
19 of purchasing technology equipment. If at any time the total amount
20 in the School Consolidation and Assistance Fund drops below Five
21 Million Dollars (\$5,000,000.00), the monies appropriated pursuant to
22 this paragraph shall be deposited in the School Consolidation and
23 Assistance Fund until the Fund again reaches Five Million Dollars
24 (\$5,000,000.00); and

1 4. Five percent (5%) to the Teachers' Retirement System
2 Dedicated Revenue Revolving Fund.

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

9 F. The Legislature shall appropriate funds from the Oklahoma
10 Education Lottery Trust Fund only for the purposes specified in
11 subsection E of this section. The Legislature shall make annual
12 appropriations to the Oklahoma Department of Veterans Affairs from
13 the proceeds of any special lottery game implemented by the Oklahoma
14 Lottery Commission designed for the benefit of honorably discharged
15 veterans as defined by Section 2 of this act. Even when funds from
16 the trust fund are used for these purposes, the Legislature shall
17 not use funds from the trust fund to supplant or replace other state
18 funds supporting common education, higher education, or career and
19 technology education.

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

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

10 H. Except as otherwise provided by this subsection, no
11 deficiency in the Oklahoma Education Lottery Trust Fund shall be
12 replenished by reducing any nonlottery funds, including specifically
13 but without limitation, the General Revenue Fund, the Constitutional
14 Reserve Fund or the Education Reform Revolving Fund of the State
15 Department of Education. No program or project started specifically
16 from lottery proceeds shall be continued from the General Revenue
17 Fund, the Constitutional Reserve Fund or the Education Reform
18 Revolving Fund of the State Department of Education. Such programs
19 must be adjusted or discontinued according to available lottery
20 proceeds unless the Legislature by general law establishes
21 eligibility requirements and appropriates specific funds therefor.
22 No surplus in the Oklahoma Education Lottery Trust Fund shall be
23 reduced or transferred to correct any nonlottery deficiencies in
24 sums available for general appropriations. The provisions of this

1 subsection shall not apply to bonds or other obligations issued
2 pursuant to or to the repayment of bonds or other obligations issued
3 pursuant to the Oklahoma Higher Education Promise of Excellence Act
4 of 2005.

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

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

3 J. When appropriations from the Oklahoma Education Lottery
4 Trust Fund are made to common education pursuant to the provisions
5 of paragraph 1 of subsection E of this section, the appropriations
6 shall be made available on a monthly basis. In addition to the
7 provisions of subsections C and D of this section, the following
8 process shall be used to ensure that the appropriations are made
9 available to common education in a timely manner:

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

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

23 3. The total amount of transfers to the Oklahoma Education
24 Lottery Trust Fund of net lottery proceeds made pursuant to this

1 subsection shall not exceed the total appropriations made to common
2 education from the Oklahoma Education Lottery Trust Fund for the
3 specific fiscal year.

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

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

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

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 2. NEW LAW A new section of law to be codified
7 in the Oklahoma Statutes as Section 250001 of Title 44, unless there
8 is created a duplication in numbering, reads as follows:

9 A. The Oklahoma Department of Veterans Affairs shall use the
10 monies available to it from the appropriations of proceeds as
11 described by subsection F of Section 713 of Title 3A of the Oklahoma
12 Statutes in order to provide funds for eligible veterans toward the
13 cost of attending either public or private colleges or universities
14 within the state, to attend a career technology school within the
15 state, to participate in an authorized workforce development program
16 or such other uses as the Oklahoma Department of Veterans Affairs
17 may be able to develop alone or in cooperation with other agencies,
18 boards, commissions or department of state or local government,
19 consistent with the requirements of Section 41 of Article X of the
20 Oklahoma Constitution.

21 B. A person honorably discharged from any component of the
22 United States Armed Forces shall be eligible for the programs
23 authorized pursuant to the provisions of this act.

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1 C. The Oklahoma Department of Veterans Affairs shall adopt
2 rules in order to allow a qualified veteran to benefit from the
3 programs funded through the provisions of this act.

4 SECTION 3. This act shall become effective July 1, 2022.

5 SECTION 4. It being immediately necessary for the preservation
6 of the public peace, health or safety, an emergency is hereby
7 declared to exist, by reason whereof this act shall take effect and
8 be in full force from and after its passage and approval.

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