

1 STATE OF OKLAHOMA

2 2nd Session of the 57th Legislature (2020)

3 COMMITTEE SUBSTITUTE
4 FOR

5 HOUSE BILL NO. 2749

By: Wallace and Hilbert of the
House

6 and

7 Thompson and Rader of the
8 Senate

9
10 COMMITTEE SUBSTITUTE

11 An Act relating to schools; amending 70 O.S. 2011,
12 Section 3952, which relates to endowed accounts;
13 limiting the amount of total state matching dollars;
14 and providing an effective date.

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

17 SECTION 1. AMENDATORY 70 O.S. 2011, Section 3952, is
18 amended to read as follows:

19 Section 3952. A. The principal held in the Oklahoma State
20 Regents' Endowment Trust Fund shall be made available for the
21 establishment of and allocation to endowment accounts within the
22 Trust Fund for the benefit of individual public institutions of
23 higher education within this state.

1 B. Investment return on each of the accounts constituting the
2 principal of the Trust Fund shall be allocated for the benefit of
3 individual institutions for which the accounts are respectively
4 designated and shall be remitted to such institutions for the
5 support of endowed chairs, professorships, lectureships and
6 positions for artists in residence approved by the Oklahoma State
7 Regents for Higher Education. The State Regents shall develop,
8 adopt, and publish the criteria to be used in the evaluation of
9 proposals for support of endowed chairs, professorships,
10 lectureships and positions for artists in residence on a competitive
11 and priority basis according to merit. Such criteria shall be based
12 on the goal of improving the overall quality of education and
13 research. The endowed chairs, distinguished professorships,
14 lectureships and positions for artists in residence should be
15 established in academic areas which will contribute to the
16 enhancement of the overall cultural, business, and/or economic
17 development of Oklahoma. The individually endowed chairs and
18 professorships should be established in areas for which the
19 institution has ongoing, approved academic programs. Any trust
20 income and any investment return on any amount in the Trust Fund not
21 designated for remittance to an institution as provided in Section
22 3951 et seq. of this title shall become part of the principal of the
23 Trust Fund.

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1 C. Trust Fund endowment accounts created pursuant to subsection
2 A of this section shall be in a minimum amount of Two Hundred Fifty
3 Thousand Dollars (\$250,000.00) for the support of endowed chairs, a
4 minimum amount of Fifty Thousand Dollars (\$50,000.00) for the
5 support of professorships or a minimum amount of Twenty-five
6 Thousand Dollars (\$25,000.00) for lectureships and artists in
7 residence. The number and size of endowment accounts shall be
8 determined by the amount of matching monies that the institution
9 commits to endowment accounts. To be initially eligible for an
10 endowment account within the Trust Fund, an institution shall have
11 on deposit as provided in subsection F of this section an amount
12 equal to at least one-half (1/2) of the requested account.
13 Provided, the regional and special purpose universities and two-year
14 institutions in The Oklahoma State System of Higher Education shall
15 have priority in qualifying for the endowment accounts of Twenty-
16 five Thousand Dollars (\$25,000.00) for lectureships and positions
17 for artists in residence.

18 D. 1. The total matching requirement for monies received prior
19 to July 1, 2008 shall be equal to the amount of the requested
20 endowment account in each instance and shall be deposited within a
21 period to be established by the State Regents. Said period shall
22 not be greater than three (3) years in length; provided, an
23 institution may deposit in an endowment account matching monies in
24 an amount which exceeds the required matching amount.

1 2. After July 1, 2008, state matching monies must be used to
2 complete the state matching requirements for all endowment accounts
3 in place as of that date, before state matching monies may be used
4 for any accounts created after that date. After completion of such
5 requirements no more than a total of Five Million Dollars
6 (\$5,000,000.00) of state matching monies may be used each year,
7 subject to the following provisions:

- 8 a. not more than a total of Four Million Dollars
9 (\$4,000,000.00) each year may be used for the combined
10 benefit of comprehensive universities within The
11 Oklahoma State System of Higher Education, and
- 12 b. not more than a total of One Million Dollars
13 (\$1,000,000.00) each year may be used for the combined
14 benefit of other eligible institutions within The
15 Oklahoma State System of Higher Education.

16 3. All Trust Fund endowment accounts created after July 1,
17 2008, shall be subject to the following provisions:

- 18 a. Trust Fund endowment accounts with matching monies of
19 Two Hundred Fifty Thousand Dollars (\$250,000.00) or
20 less shall be matched with state matching monies
21 according to a 1:1 ratio, with One Dollar (\$1.00) of
22 state matching monies to be matched with every One
23 Dollar (\$1.00) of matching monies received, and
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1 b. Trust Fund endowment accounts with matching monies of
2 more than Two Hundred Fifty Thousand Dollars
3 (\$250,000.00) shall be matched with state matching
4 monies according to a 1:4 ratio, with One Dollar
5 (\$1.00) of state matching monies to be matched with
6 every Four Dollars (\$4.00) of matching monies
7 received.

8 4. Any endowment account for which an institution fails to
9 provide the full required matching amount within the time
10 established shall be available to be awarded to another public
11 institution of higher education. No investment return shall be
12 remitted to any institution from an endowment account before the
13 institution has deposited the total required match for the endowment
14 account as provided in subsection F of this section.

15 5. Notwithstanding any other provision of this section, no more
16 than a total of Six Hundred Seventy-one Million Two Hundred Thousand
17 Dollars (\$671,200,000) of state matching monies shall be utilized
18 for the creation of endowment accounts under the provisions of this
19 section.

20 E. 1. Monies which an institution provides for matching
21 purposes must originate from monies contributed to the institution
22 after July 1, 1988, from private sources, which monies are
23 specifically designated by the private source to be used for
24 purposes specified in this act, or from private contributions made

1 after July 1, 1988, to a foundation for which the sole beneficiary
2 is that institution, which monies are specifically designated by the
3 private contributor to be used for purposes specified in this act,
4 and may not be drawn from allocations of appropriated funds received
5 from the State Regents, proceeds of fees or charges authorized by
6 law, or from federal grants or reimbursements.

7 2. The State Regents may accept the transfer of endowed chairs
8 and any associated funds from the MOST Eminent Scholars and Research
9 Equipment Account created pursuant to the provisions of Section
10 5060.13 of Title 74 of the Oklahoma Statutes for the purpose of the
11 establishment as endowed chairs in the Oklahoma State Regents'
12 Endowment Trust Fund. Such endowed chairs shall be subject to and
13 administered in accordance with the statutes and regulations
14 applicable to the Trust Fund; provided, however, the monies provided
15 by an institution for matching purposes may have originated from
16 private monies contributed to the institution or a foundation before
17 or after July 1, 1988.

18 F. Any institution which provides matching monies shall deposit
19 the matching monies in one of the following:

- 20 1. The Trust Fund;
- 21 2. An endowment matching fund of the institution; or
- 22 3. A fund of a foundation whose sole beneficiary is that
23 institution.

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1 All investment return on matching monies which are deposited in a
2 fund specified in paragraphs 2 or 3 of this subsection shall be
3 retained in the fund. If such matching monies are not deposited in
4 the Trust Fund, the institution shall submit a report annually to
5 the State Regents in which the investments of the matching funds,
6 earned interest and income, including capital gains and losses, and
7 expenditures including the costs of managing the investments are
8 detailed. Diminution of the original matching sum may at the
9 discretion of the State Regents constitute a forfeiture of the
10 state-origin monies which the private-origin institutional monies
11 were to match.

12 G. An institution may recommend to the State Regents that
13 monies benefiting the institution in an endowment account pursuant
14 to the purposes of the Trust Fund be dedicated to an alternative
15 academic discipline or area. If the State Regents approve such
16 action, the investment return from the endowment account may be
17 utilized for such program.

18 SECTION 2. This act shall become effective November 1, 2020.

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