STATE OF OKLAHOMA

1st Session of the 50th Legislature (2005)

COMMITTEE SUBSTITUTE
FOR
SENATE BILL 745 By: Hobson

COMMITTEE SUBSTITUTE

An Act relating to higher education; authorizing the Oklahoma State Regents for Higher Education to acquire and construct certain property and to provide funding for certain repairs, refurbishments, improvements and projects; authorizing borrowing of certain amount of money for certain purposes; authorizing issuance of certain obligations; stating legislative intent; limiting costs for certain projects; providing for payment of certain fees and costs; prescribing procedures for issuance of certain obligations; authorizing certain agreements; providing for use of interest earnings; exempting certain obligations, transfers and interest from taxation; authorizing investment of funds; prescribing procedures for investment; authorizing Oklahoma Development Finance Authority and Oklahoma Capitol Improvement Authority to issue obligations in certain circumstance; making certain provisions applicable to such authorities; authorizing refinancing of obligations; authorizing payment of fees and hiring of personnel; stating purpose for certain issuance of bonds; allowing maturity of obligations to be extended; providing terms and conditions for certain obligations; providing for codification; providing an effective date; an declaring an emergency.

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3206.7 of Title 70, unless there is created a duplication in numbering, reads as follows:

A. For the purpose of paying the costs for acquisition and construction of real and personal property and making repairs, refurbishments and improvements to real and personal property, and providing funding for the herein enumerated capital projects at institutions of higher education which are part of The Oklahoma State System of Higher Education and for the purpose authorized in

subsection B of this section, the Oklahoma State Regents for Higher Education are hereby authorized to borrow monies on the credit of the income and revenues to be derived from the leasing of such real and personal property and improvements and, in anticipation of the collection of such income and revenues, to issue negotiable obligations in a total amount sufficient to generate Five Hundred Million Dollars ($500,000,000.00) to be expended on the projects enumerated herein whether issued in one or more series. It is the intent of the Legislature to appropriate to the Oklahoma State Regents for Higher Education for allocation to the various institutions enumerated herein from the Oklahoma Education Lottery Trust Fund and from such other sources as may be necessary sufficient monies to make rental payments for the purposes of retiring the obligations created pursuant to this section. Bonds issued pursuant to this section shall be used for financing for the following projects in the indicated amounts:

1. Projects at the University of Oklahoma not to exceed One Hundred Seventeen Million One Hundred Eighty Thousand Nine Hundred Fifty-six Dollars ($117,180,956.00) to include:

a. construction of a chemistry and biochemistry teaching and research-laboratory complex,

b. installation of fire detection and suppression systems in library areas,

c. classroom renovation and improvements,

d. construction of library and learning center facilities and parking structure at the OU-Tulsa campus,

e. construction of a College of Allied Health Phase II Building and parking structure,

f. infrastructure improvements for the University Research Campus,

g. construction of new engineering and technology facilities,

h. construction of a student learning center for University College,

i. renovation and expansion of Gould Hall,

j. renovation of Hester Hall,

k. renovation of Rhyne Hall,

l. renovation of Science Hall,

m. completion of construction of weather center,

n. renovation of Ellison Hall,

o. construction of a cancer center,

p. construction of a speech and hearing facility, and

q. renovation of Schusterman Center at OU-Tulsa;

2. Projects at the Oklahoma State University not to exceed Eighty Two Million Five Hundred Five Thousand Dollars ($82,505,000.00) to include:

a. construction of a new science and technology research center and renovation of existing research laboratory and office space,

b. restoration and renovation of South Murray Hall, and

c. construction of a new classroom building;

3. Projects at OSU-Okmulgee not to exceed Seven Million Dollars ($7,000,000.00) to include:

a. creation of a rural health science and technology center,

b. renovation and expansion of culinary facility, and

c. resurfacing of campus streets and parking lots;

4. Projects at the OSU College of Veterinary Medicine not to exceed One Million Two Hundred Thousand Dollars ($1,200,000.00) to include:

a. renovation of McElroy Hall, and

b. renovation of Boren Veterinary Teaching Hospital;

5. Projects at OSU-Oklahoma City not to exceed Eight Million Dollars ($8,000,000.00) to include:

a. construction of an addition to the agriculture resource center,

b. construction of a physical plant building,

c. acquisition of real property within existing campus area, and

d. construction of a public safety training facility;

6. Projects at the OSU-Center for Health Science not to exceed Four Million Four Hundred Thousand Dollars ($4,400,000.00) to include renovation of existing facilities;

7. Projects at OSU-Tulsa not to exceed Fourteen Million Seventy Five Thousand Nine Hundred Fifty-six Dollars ($14,075,956.00) to include construction of an advanced technology research center;

8. Projects at the University of Central Oklahoma not to exceed Nineteen Million Six Hundred Ninety Five Thousand Three Hundred Twenty-nine Dollars ($19,695,329.00) to include:

a. renovation of Old North Building,

b. construction of a new classroom building, and

c. construction of a forensic science building;

9. Projects at East Central University not to exceed Ten Million Eight Hundred Ten Thousand One Hundred Eighty-two Dollars ($10,810,182.00) to include:

a. construction of a fine arts center, and

b. construction of a criminal justice skills training center;

10. Projects at Northeastern State University not to exceed Twenty Two Million Nine Hundred Seventy Two Thousand Seven Hundred Sixty Dollars ($22,972,760.00) to include:

a. renovation of the Science Building,

b. renovation and repair of classroom buildings,

c. renovation of the Industrial Arts Building, and

d. completion of construction on classrooms, other buildings and parking lots at the Broken Arrow campus;

11. Projects at Northwestern Oklahoma State University not to exceed Six Million Eight Hundred Thirteen Thousand Four Hundred Thirty-two Dollars ($6,813,432.00) to include:

a. construction of Education Building,

b. renovation of Science Building and upgrading of science equipment, and

c. renovation of the Health and Physical Education Building;

12. Projects at Rogers State University not to exceed Thirteen Million Nine Hundred Twenty Two Thousand Seven Hundred Two Dollars ($13,922,702.00) to include:

a. construction and renovation of classrooms and other buildings at the Bartlesville campus,

b. construction and furnishing of a classroom building and parking lot,

c. general infrastructure upgrades and improvements,

d. expansion and renovation of Thunderbird and Post Hall, including furnishings and parking lot improvements,

e. construction of a building and parking lot at the Pryor Campus, and

f. renovation and repairs to other buildings on campus;

13. Projects at Southeastern Oklahoma State University not to exceed Ten Million Sixty Two Thousand Seven Hundred Fifty-eight Dollars ($10,062,758.00) to include:

a. renovation of the Aviation Science Building,

b. installation of an ADA elevator within the athletic facility,

c. construction and renovation of classrooms,

d. renovation and construction of Academic Support Services Building,

e. improvements to the Administration Building,

f. renovation of the Theatre Building,

g. renovation of the Science Building, and

h. renovation of the Morrison Building;

14. Projects at Southwestern Oklahoma State University not to exceed Twelve Million Three Thousand Sixty-five Dollars ($12,003,065.00) to include:

a. renovation of the Chemistry, Pharmacy & Physics Building,

b. renovation of existing theatre and construction of new theatre,

c. upgrade of instructional equipment and elevators,

d. energy efficiency improvements for various buildings,

e. renovation and improvements to buildings on the Sayre campus,

f. construction of outdoor classroom area, relocation of university observatory and other improvements,

g. renovation of the Art Building, and

h. renovation and addition to the Industrial Technology and Engineering Building;

15. Projects at Cameron University not to exceed Twelve Million Fifty Nine Thousand Two Hundred Forty-seven Dollars ($12,059,247.00) to include:

a. renovation and expansion of Business Building,

b. improvements to the Shepler Center and the Fitness Center,

c. improvements on campus-wide scale needed to achieve ADA compliance,

d. improvements to parking areas and access roads,

e. improvements to campus buildings, and

f. improvements to gymnasium;

16. Projects at Langston University not to exceed Eighteen Million Three Hundred Seventy Thousand One Hundred Eighty-seven Dollars ($18,370,187.00) to include:

a. construction of a Student Success Center,

b. renovation and construction of the Allied Health Complex,

c. construction of a Performing Arts Center, and

d. construction of an Oklahoma African-American Museum;

17. Projects at Oklahoma Panhandle State University not to exceed Seven Million Two Hundred Eighty Thousand Dollars ($7,280,000.00) to include:

a. construction of a science and agriculture building, and

b. construction of the Noble Activity and Cultural Center;

18. Projects at the University of Science and Arts of Oklahoma not to exceed Six Million Sixty Eight Thousand Eight Hundred Thirty-two Dollars ($6,068,832.00) to include:

a. renovation of Canning Hall,

b. improvements to parking areas and roofing of various buildings,

c. renovation of performing arts and academic lecture venues,

d. renovation of art annex, and

e. acquisition of classroom, laboratory and library equipment;

19. Projects at Carl Albert State College not to exceed Eight Million Six Hundred Forty Seven Thousand Six Hundred One Dollars ($8,647,601.00) to include:

a. construction of a new classroom building and parking lot,

b. construction of CASC Sallisaw Classroom and Library,

c. renovation and expansion of Joe E. White Library, and

d. renovation and expansion of the Mick Thompson Convocational Center;

20. Projects at Connors State College not to exceed Seven Million Twenty Five Thousand Dollars ($7,025,000.00) to include:

a. renovation of the Classroom Building, Library and Education Buildings,

b. renovation of the Fine Arts Building,

c. renovation of a building to become one-stop enrollment center,

d. renovation and addition to Haskell Building on Muskogee campus, and

e. renovation and expansion of existing buildings for the expansion of Allied Health and Technical programs;

21. Projects at Eastern Oklahoma State College not to exceed Seven Million Nine Hundred Ten Thousand One Hundred One Dollars ($7,910,101.00) to include:

a. construction of a student life and learning center,

b. repair and improvements to various campus facilities, and

c. campus-wide software replacement;

22. Projects at Murray State College not to exceed Seven Million Twenty Five Thousand Dollars ($7,025,000.00) to include:

a. renovation and improvements to various campus facilities,

b. construction of a building for customer service and laboratory facilities,

c. construction of a maintenance building,

d. landscaping and parking and street improvements,

e. acquisition of technology equipment, and

f. acquisition of equipment to address instructional needs and campus security and safety issues;

23. Projects at Northern Oklahoma College not to exceed Fourteen Million Two Hundred Ninety Three Thousand Two Hundred Thirty-five Dollars ($14,293,235.00) to include:

a. renovation and repair of buildings, parking areas and infrastructure on Enid campus,

b. renovation of and furnishing and equipment for Wilkin Hall,

c. construction of Allied Health and Educational Communication Center,

d. renovation and expansion of the Vineyard Library Administration Building, and

e. construction in conjunction with OSU of a new classroom building in Stillwater;

24. Projects at Northeastern Oklahoma A&M College not to exceed Six Million Dollars ($6,000,000.00) to include:

a. renovation, expansion and equipment for Health Science Building,

b. renovation of Commons Hall, and

c. renovation and restoration of Science Building;

25. Projects at Oklahoma City Community College not to exceed Fifteen Million Three Hundred Thirty Five Thousand One Hundred One Dollars ($15,335,101.00) to include:

a. construction of the Arts Education Center, and

b. expansion of the Health Professions Education Center;

26. Projects at Redlands Community College not to exceed Six Million Seven Hundred Seventy Thousand Dollars ($6,770,000.00) to include:

a. construction of the Darlington Agricultural Center,

b. construction of a health, math and science facility,

c. renovation and automation of library,

d. acquisition of real property for Darlington Production facility,

e. construction of facility to house International & Entrepreneurship Business Institute, and

f. infrastructure improvements and upgrades;

27. Projects at Rose State College not to exceed Eleven Million Seven Hundred Seventy Five Thousand Dollars ($11,775,000.00) to include construction of a Health Sciences Center;

28. Projects at Seminole State College not to exceed Six Million Seven Hundred Fifty Thousand Dollars ($6,750,000.00) to include:

a. construction of a wellness and athletic training facility,

b. renovation and equipment acquisition necessary to accommodate persons with disabilities,

c. acquisition and improvement of computer network equipment,

d. renovation and expansion of facilities to develop a student success center,

e. construction of maintenance building and affiliated roads and parking,

f. acquisition of building for office space and storage, and

g. construction and expansion of roads and parking facilities;

29. Projects at Tulsa Community College not to exceed Sixteen Million Twenty Five Thousand Dollars ($16,025,000.00) to include:

a. construction of a distance learning center, and

b. construction of a math and science building;

30. Projects at Western Oklahoma State College not to exceed Six Million Dollars ($6,000,000.00) to include:

a. construction of a cooperative higher education and training center,

b. construction and repair of parking lots, roads and walkways, and

c. acquisition of software and information technology equipment;

31. Projects at the Ardmore Higher Education Center not to exceed Six Hundred Thousand Dollars ($600,000.00) to include:

a. construction of classrooms to be connected to existing facility, and

b. renovation and remodeling of existing facility;

32. Projects at the McCurtain County Higher Education Center not to exceed Six Hundred Thousand Dollars ($600,000.00) to include renovation and expansion of chemistry laboratory and classroom and acquisition of equipment;

33. Projects at the Quartz Mountain Arts & Conference Center not to exceed Three Million Seven Hundred Sixty Two Thousand Six Hundred One Dollars ($3,762,601.00) to include:

a. renovation and remediation of lodge, walkways, parking lots and sidewalks,

b. construction of a student dormitory and family reunion center,

c. repair and renovation of Performing Arts Hall and Arts Pavilions,

d. completion of construction of a comprehensive pedestrian trail system,

e. improvements and upgrades of infrastructure, and

f. improvement and acquisition of land;

34. Projects for the Oklahoma Climatological Survey not to exceed Six Hundred Fifty Thousand Dollars ($650,000.00) to include acquisition and installation of equipment for the Oklahoma Mesonet to monitor atmospheric conditions in and around Oklahoma City; and

35. Projects for the OneNet Telecommunications Network not to exceed Six Million Four Hundred Ten Thousand Nine Hundred Fifty-five Dollars ($6,410,955.00) to include acquisition and installation of equipment and infrastructure upgrades throughout the system.

B. To the extent funds are available from the proceeds of the borrowing authorized by subsection A of this section, the Oklahoma

State Regents for Higher Education shall provide for the payment of professional fees and associated costs related to the projects authorized in subsection A of this section.

C. The Regents may issue obligations in one or more series and in conjunction with other issues of the Regents. The Regents may issue short-term obligations in anticipation of the sale of the bonds authorized by this section and enter into such liquidity and other agreements as may be necessary to provide for the efficient financing of the projects. The Regents are authorized to hire bond counsel, financial consultants, and such other professionals as it may deem necessary to provide for the efficient sale of the obligations and may utilize a portion of the proceeds of any borrowing to create such reserves as may be deemed necessary and to pay costs associated with the issuance and administration of such obligations.

D. The obligations authorized under this section may be sold at either competitive or negotiated sale, as determined by the Regents, and in such form and at such prices and bearing interest at a fixed or variable rate as may be authorized by the Regents. The Regents may enter into agreements with such credit enhancers and liquidity providers as may be determined necessary to efficiently market the obligations. The obligations may mature and have such provisions for redemption as shall be determined by the Regents, but in no event shall the final maturity of such obligations occur later than thirty (30) years from the first principal maturity date.

E. Any interest earnings on funds or accounts created for the purposes of this section may be utilized as partial payment of the annual debt service or for the purposes directed by the Regents.

F. The obligations issued under this section, the transfer thereof and the interest earned on such obligations, including any profit derived from the sale thereof, shall not be subject to

taxation of any kind by the State of Oklahoma, or by any county, municipality or political subdivision therein.

G. The Regents may direct the investment of all monies in any funds or accounts created in connection with the offering of the obligations authorized under this section. Such investments shall be made in a manner consistent with the investment guidelines of the State Treasurer. The Regents may place additional restrictions on the investment of such monies if necessary to enhance the marketability of the obligations.

H. In the event the Regents determine that it is advantageous for the Oklahoma Development Finance Authority or the Oklahoma Capitol Improvement Authority to issue obligations to provide for the funding for one or more of the projects enumerated herein, then, in that event, and pursuant to a request by the Regents, the Oklahoma Development Finance Authority or the Oklahoma Capitol Improvement Authority is authorized to issue obligations for the financing for such of the herein enumerated projects as may be requested by the Regents. In the event either the Oklahoma Development Finance Authority or the Oklahoma Capitol Improvement Authority issues any obligations pursuant to this section, such Authority shall have the same authority and shall be subject to the same terms, conditions and restrictions in connection therewith as are made applicable herein to the Regents.

I. The Oklahoma State Regents for Higher Education and, to the extent applicable, the Oklahoma Development Finance Authority and the Oklahoma Capitol Improvement Authority are authorized to issue bonds, notes, or other obligations for the purpose of refinancing or restructuring obligations issued pursuant to this section. To the extent funds are available from the proceeds of the borrowing authorized by this subsection, the Regents shall provide for the payment of professional fees and associated costs approved by the Oklahoma State Bond Advisor. The Regents are authorized to hire

bond counsel, financial consultants, and such other professionals as may be deemed necessary to provide for the efficient sale of the obligations and may utilize a portion of the proceeds of any borrowing to create such reserves as may be deemed necessary and to pay costs associated with the issuance and administration of such obligations. An issuance of bonds under this subsection may be undertaken to achieve an overall debt service savings, modify restrictive bond document covenants, or reduce payment requirements during periods of fiscal stress. To achieve these objectives, the Regents are authorized to extend the final maturity of outstanding obligations if necessary, but in no event shall the final maturity of an individual bond issue be extended more than ten (10) years without the approval of the Council of Bond Oversight. The obligations authorized under this subsection may be sold at either competitive or negotiated sale, as determined by the Regents, and in such form and at such prices as may be authorized by the Regents. The Regents may issue obligations in one or more series and may set such other terms and conditions as may be necessary in its judgment to achieve an efficient refinancing. The Regents may enter into agreements with such credit enhancers and liquidity providers as may be determined necessary to efficiently market the obligations, including the purchase of surety policies or other financial instruments to be utilized in lieu of reserve funds. The obligations may mature and have such provisions for redemption as shall be determined by the Regents. The Regents are hereby specifically authorized to purchase surety policies or other financial instruments to replace existing debt service reserves. Any payment for such policies or other instruments may be made from the cash reserves being replaced or any other legally available source.

SECTION 2. This act shall become effective July 1, 2005.

SECTION 3. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

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