

1 B. The study shall be used to determine Oklahoma's debt
2 position relative to its benchmark debt ratio of debt service as
3 a percentage of revenues. The study shall incorporate
4 information available in other sources, such as the Annual
5 Report of the Oklahoma State Bond Advisor and the Bonded
6 Indebtedness Report, into an analysis of Oklahoma's debt
7 position.

8 C. The study shall include the net tax-supported and net
9 revenue-supported debt of this state for the most recently
10 concluded fiscal year. It shall also include the debt for the
11 most recently concluded fiscal year of state major component
12 units and agencies for which the state may hold ultimate
13 financial responsibility. Such component units or agencies
14 shall include, but are not limited to: the Oklahoma Housing
15 Finance Agency, the Oklahoma Turnpike Authority, and the
16 Oklahoma Municipal Power Authority.

17 D. The study shall include the following:

18 1. Projections of debt service, future debt issuance, and
19 debt to capacity (such as debt service as a percentage of
20 revenues). Each projection shall extend at least five (5) years
21 from the study's fiscal year of publication;

22 2. A discussion of Oklahoma's unfunded pension liabilities
23 and the impact of these liabilities on the state's ability to
24 borrow and cost of debt;

1 3. An identification and calculation of relevant metrics
2 including, but not limited to, debt service as a percentage of
3 revenues, total debt as a percentage of state personal income,
4 and total debt per capita;

5 4. A comparison of debt metrics to a select group of at
6 least ten other states so that Oklahoma may be able to measure
7 and contextualize its debt relative to other states;

8 5. A sensitivity analysis to understand the effects of
9 uncertain conditions. This sensitivity analysis may include
10 analysis on the impact of debt ratios of revenues being above or
11 below expectations or interest rates increasing or decreasing
12 from positions at time of publication;

13 6. An estimate of available debt capacity the state may
14 issue over the next five (5) years without causing the benchmark
15 debt ratio of debt service as a percentage of revenues to exceed
16 five percent (5%). This estimate is based on the state's net
17 tax-supported debt and the debt of the relevant state units and
18 agencies.

19 D. In preparing any authorization of new debt, the debt-
20 issuing entity, Legislature, and Governor shall take the study's
21 recommendations and estimates into consideration. In addition,
22 the study's recommendations and estimates shall be taken into
23 consideration by the Legislature and Governor during capital
24 planning and budgeting processes.

1 E. The State Bond Advisor and the Office of Management and
2 Enterprise Services shall report the results of the study to the
3 Legislature, by transmitting a copy to the Speaker of the House
4 of Representatives, the President Pro Tempore of the State
5 Senate, and to the Governor on or before December 15 of each
6 year.

7 F. The study's recommendations and estimates shall be
8 advisory and not binding.

9 SECTION 2. This act shall become effective November 1,
10 2017.

11
12 COMMITTEE REPORT BY: COMMITTEE ON GENERAL GOVERNMENT OVERSIGHT
13 AND ACCOUNTABILITY, dated 02/09/2017 - DO PASS, As Coauthored.
14
15
16
17
18
19
20
21
22
23
24