

OKLAHOMA STATE SENATE

JOINT COMMITTEE REPORT

May 17, 2019

JOINT COMMITTEE ON APPROPRIATIONS AND BUDGET

SB 1049

By: Thompson and Rader of the Senate and Wallace and Hilbert of the House

Title: Appropriations; making an appropriation to the Oklahoma State Regents for Higher Education. Effective date. Emergency.

Recommendation: **DO PASS AS AMENDED**

Aye: Bice, Brooks, Daniels, Dugger, Hall, Ikley-Freeman, Jech, Kidd, Montgomery, Pemberton, Pugh, Rosino, Scott, Simpson, Stanislawski, Rader, Thompson

Nay:

Constitutional Privilege:

Senator Roger Thompson, Chair

Committee Substitute, motion by Senator THOMPSON - Adopted (Request No: 2228)

OKLAHOMA HOUSE OF REPRESENTATIVES
COMMITTEE REPORT

JOINT COMMITTEE ON APPROPRIATIONS AND BUDGET COMMITTEE

SB1049

By: Wallace et al of the House

Thompson et al of the Senate

Title: Appropriations; making an appropriation to the Oklahoma State Regents for Higher Education. Effective date. Emergency.

Coauthored By:

Recommendation: **DO PASS AS AMENDED BY CS**

Amendments:

1. Committee Substitute Attached

 Chr.
Representative Kevin Wallace

YEAS: 24

Bennett, Echols, Fetgatter, Ford, Goodwin, Hilbert, Lawson, Lepak, Martinez, McEntire, Meredith, Munson, Nichols, Ortega, Pfeiffer, Roberts (D), Sanders, Taylor, Virgin, Walke, Wallace, West (J), West (K), Worthen

NAYS: 0

CONSTITUTIONAL PRIVILEGE: 0

1 STATE OF OKLAHOMA

2 1st Session of the 57th Legislature (2019)

3 COMMITTEE SUBSTITUTE
4 FOR

5 SENATE BILL NO. 1049

6 By: Thompson and Rader of the
7 Senate

8 and

9 Wallace and Hilbert of the
10 House

11 COMMITTEE SUBSTITUTE

12 An Act relating to public health and safety; amending
13 63 O.S. 2011, Sections 3202, 3203, 3204, 3207, 3208,
14 as amended by Section 513, Chapter 304, O.S.L. 2012,
15 3210, 3221 and 3224, as amended by Section 1, Chapter
16 387, O.S.L. 2016 (63 O.S. Supp. 2018, Sections 3208
17 and 3224), which relate to the University Hospitals
18 Authority and University Hospitals Trust; defining
19 terms; modifying mission and purpose of University
20 Hospitals; deleting provisions relating to transfer
21 of University Hospitals; deleting obsolete language;
22 modifying membership of University Hospital
23 Authority; providing that members serve at pleasure
24 of appointing authority; subjecting certain persons
to Rules of Ethics Commission; modifying powers of
University Hospitals Authority; clarifying
application of Oklahoma State Finance Act; modifying
requirement to submit certain monthly report;
modifying provisions relating to selection of vendors
and contractors; empowering Authority to authorize
certain building demolition; modifying revenues to be
deposited to University Hospitals Authority
Disbursing Fund; granting certain powers and
authority to University Hospitals Trust; amending 61
O.S. 2011, Section 207.2, as amended by Section 323,
Chapter 304, O.S.L. 2012 (61 O.S. Supp. 2018, Section
207.2), which relates to public buildings and public
works; exempting Authority and Trust from certain

1 provisions; amending 74 O.S. 2011, Section 62.3, as
2 last amended by Section 3, Chapter 309, O.S.L. 2016
3 (74 O.S. Supp. 2018, Section 62.3), which relates to
4 Oklahoma Surplus Property Act; exempting Authority
5 and Trust from Act; repealing 63 O.S. 2011, Sections
6 3211 and 3212, as amended by Sections 514 and 515,
7 Chapter 304, O.S.L. 2012, 3213.2, 3221.1 and 3223, as
8 amended by Sections 516 and 517, Chapter 304, O.S.L.
9 2012, 3227, 3227.1, as amended by Section 518,
10 Chapter 304, O.S.L. 2012 and 3228 (63 O.S. Supp.
11 2018, Sections 3211, 3212, 3221.1, 3223 and 3227.1),
12 which relate to the University Hospitals Authority
13 Act; and providing an effective date.

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

15 SECTION 1. AMENDATORY 63 O.S. 2011, Section 3202, is
16 amended to read as follows:

17 Section 3202. As used in the University Hospitals Authority
18 Act:

19 1. "University Hospitals" include the Oklahoma Memorial
20 Hospital, which shall be renamed University Hospital; the Children's
21 Hospital of Oklahoma; the Child Study Center; and the O'Donoghue
22 Rehabilitation Institute;

23 2. "Authority" means the University Hospitals Authority;

24 3. "Department" means the Department of Human Services; ~~and~~

1. "Commission" means the Commission for Human Services or the
Oklahoma Public Welfare Commission;

1 5. "University Hospital" means Everett Tower and the North
2 Pavilion, which have been renamed as Children's Hospital at the
3 University of Oklahoma Medical Center; and

4 6. "Children's Hospital of Oklahoma" means the Bielstein,
5 Garrison, Nicholson and MRI towers which are no longer being used as
6 hospitals.

7 SECTION 2. AMENDATORY 63 O.S. 2011, Section 3203, is
8 amended to read as follows:

9 Section 3203. A. The purposes of the University Hospitals
10 Authority Act are to provide for an effective and efficient
11 administration, to ensure a dependable source of funding, and to
12 effectuate the mission and purposes of the University Hospitals
13 Authority. The mission and purposes of the University Hospitals are
14 to serve as general hospitals, to serve as teaching and training
15 facilities for students enrolled at the University of Oklahoma, to
16 serve as a site for conducting ~~medical and biomedical~~ research by
17 faculty members of the University of Oklahoma ~~Health Sciences Center~~
18 and to provide care for the medically indigent. The University
19 Hospitals shall maintain a close affiliation with the University of
20 Oklahoma Health Sciences Center and shall coordinate their
21 operations and activities in a cooperative manner. In addition, the
22 University Hospitals Authority shall provide indigent and
23 nonindigent patient care, as more fully described herein.

1 B. The Legislature finds that the needs of the citizens of this
2 state and the needs of the University of Oklahoma Health Sciences
3 Center will be best served if the University Hospitals are operated
4 by a separate Authority charged with the mission of operating or
5 leasing the operations of the teaching hospitals for the benefit of
6 the colleges of the University of Oklahoma Health Sciences Center
7 and providing care for the medically indigent.

8 C. The University Hospitals Authority, by receiving the assets
9 and operating obligations, shall ensure that the costs of delivering
10 medically indigent care continue to be subsidized in excess of the
11 state reimbursement for the medically indigent, consistent with the
12 teaching hospitals' past policy and performance and that of the
13 University of Oklahoma Health Sciences Center. The Authority shall
14 make or cause to be made every reasonable effort to continue the
15 hospitals' historic commitment to the provision of uncompensated
16 care and that the allocation and investment of resources shall be
17 made with a view to maximizing the hospitals' long-term ability to
18 provide uncompensated care, except as may be modified by changes in
19 federal or state law. The University Hospitals Authority shall
20 ensure that indigent care provided by the Oklahoma Medical Center
21 during a fiscal year shall be equal to or exceed one hundred twenty
22 percent (120%) of the annual appropriation to the University
23 Hospitals Authority for indigent care. The level of indigent care
24 provided shall be based on Medicare costs as determined by the most

1 recent report filed by any operating entity of the University
2 Hospitals with the federal Health Care Finance Administration.

3 D. As used in this section, "indigent care" means charity care,
4 Medicaid contractual allowances, all debt arising from accounts for
5 which there is no third-party coverage including services provided
6 to the Department of Corrections and Department of Mental Health and
7 Substance Abuse Services as otherwise required by law. For purposes
8 of this subsection, third-party coverage shall not include Medicaid
9 coverage.

10 E. The Board of Regents of the University of Oklahoma shall
11 retain full power to govern the personnel, curriculum and facilities
12 of the University of Oklahoma.

13 SECTION 3. AMENDATORY 63 O.S. 2011, Section 3204, is
14 amended to read as follows:

15 Section 3204. A. Until July 1, 1993, the University Hospitals
16 shall be under the jurisdiction, supervision, management and control
17 of the Department of Human Services and the Commission for Human
18 Services.

19 B. Effective July 1, 1993, the University Hospitals are hereby
20 transferred from the Department of Human Services and the Commission
21 for Human Services to the University Hospitals Authority.

22 C. The transfer shall include:

23 1. All powers, duties, responsibilities, properties, assets,
24 fund balances, encumbrances, obligations, records, personnel and

1 liabilities, including, but not limited to, liability for all
2 University Hospital employees' sick leave, annual leave, holidays,
3 unemployment benefits and workers' compensation benefits accruing to
4 employees prior to July 1, 1993, which are attributable to the
5 University Hospitals; provided, however, that any claims arising
6 under the Governmental Tort Claims Act and filed prior to July 1,
7 1993, and from any other actions filed prior to July 1, 1993, shall
8 remain the responsibility of the Department of Human Services and
9 the Commission for Human Services. All claims arising prior to July
10 1, 1993 and for which no action has been filed shall be paid by the
11 Risk Management Program;

12 ~~2. The attorney employed by the Department of Human Services~~
13 ~~who provides legal representation for the University Hospitals~~
14 ~~Authority facilities. The Authority shall make such attorney~~
15 ~~available, at the request of the Department, for purposes of~~
16 ~~resolving and terminating any claims arising from alleged medical~~
17 ~~malpractice and other actions filed prior to July 1, 1993. The~~
18 ~~Authority and the Department of Human Services shall enter into an~~
19 ~~interagency agreement for the purpose of assisting the Department in~~
20 ~~resolving claims and other actions;~~

21 ~~3.~~ Children's Hospital of Oklahoma and all buildings and
22 appurtenances located on land which is described as follows: Blocks
23 B, 3, 4, 12 and 13, and the North 30 feet of Block 14; and Lots 6
24 through 15, Block 21, CULBERTSON HEIGHTS ADDITION less and except

1 the West 7 feet of Lot 5 and all of Lots 6 through 19, and the East
2 5 feet of Lot 20 and the North 59.5 feet of Lots 21 through 26, and
3 the North 59.5 feet of the West 49.5 feet of Lot 27, all in Block
4 13, CULBERTSON HEIGHTS ADDITION to the City of Oklahoma City,
5 Oklahoma, and also less and except the West 106 feet of the vacated
6 Northeast 12th Street abutting said Block 13; and a part of Block
7 20, CULBERTSON HEIGHTS ADDITION and a part of the alleys adjacent
8 thereto, and a part of the SW 1/4, Section 26, T12N, R3W, I.M., and
9 a part of the SE 1/4, Sec. 27, T12N, R3W, I.M., Oklahoma County,
10 Oklahoma, and a part of vacated Kelley Avenue adjacent thereto, more
11 particularly described as follows: Commencing at the NE corner of
12 Block 20, CULBERTSON HEIGHTS ADDITION, Oklahoma City, Oklahoma,
13 thence S. 0 degrees 03' 34" E. and along the East line of said Block
14 20 and along the West Right-of-Way line of Stonewall Avenue a
15 distance of 10 ft. to the point or place of beginning; thence
16 continuing S. 0 degrees 03' 34" E. and along the East line of said
17 Block 20 and along the West Right-of-Way line of Stonewall Avenue a
18 distance of 341.27 ft., thence N. 89 degrees 54' 35" W. a distance
19 of 520.10 ft., thence N. 0 degrees 11' 08" E. a distance of 18.0
20 ft.; thence N. 89 degrees 48' 52" W. a distance of 12.0 ft.; thence
21 N. 0 degrees 11' 08" E. a distance of 6 ft.; thence N. 89 degrees
22 48' 52" W. a distance of 21.5 ft., thence N. 0 degrees 11' 08" E. a
23 distance of 22.5 ft., thence N. 89 degrees 48' 52" W. a distance of
24 286.5 ft., thence N. 89 degrees 48' 52" W. a distance of 27.00 feet;

1 thence N. 0 degrees 12' 03" E. a distance of 72.50 feet; thence N.
2 89 degrees 48' 51" W. a distance of 25.65 feet; thence N. 23 degrees
3 29' 12" W. a distance of 250.50 feet to a point on the South Right-
4 of-Way line of N.E. 13th Street; thence S. 89 degrees 48' 51" E. and
5 along the South Right-of-Way line of N.E. 13th Street a distance of
6 649.76 feet; to a point in the East line of said SE 1/4 of Section
7 27, T12N, R3W, thence S. 0 degrees 06' 23" W. along the East line of
8 said Section 27, a distance of 10.0 ft., thence N. 89 degrees 33'
9 42" E. and parallel to and 10 ft., South of the North line of said
10 Block 20 of said CULBERTSON HEIGHTS ADDITION a distance of 342.10
11 ft. to the point or place of beginning; and

12 ~~4.~~

13 3. a. Oklahoma Memorial Hospital and all buildings and
14 appurtenances located on land which is described as
15 follows: A part of the South Half of the Southeast
16 Quarter of Section 27, T12N, R3W of the Indian
17 Meridian AND a part of the North Half of the Northeast
18 Quarter of Section 34, T12N, R3W, of the Indian
19 Meridian, all in Oklahoma County, Oklahoma, more
20 particularly described as follows: Beginning at the
21 Southwest corner of Block 13, HOWE'S CAPITOL ADDITION;
22 thence N. 0 degrees 10' 36" E. along the East line of
23 Phillips Avenue a distance of 674.64 feet to a point
24 on the South line of Northeast 13th Street; thence S.

1 89 degrees 48' 51" E. along the South line of said
2 Northeast 13th Street a distance of 620.30 feet;
3 thence S. 23 degrees 29' 12" E. a distance of 250.50
4 feet; thence S. 89 degrees 48' 51" E. a distance of
5 25.65 feet; thence S. 0 degrees 12' 03" W. a distance
6 of 72.50 feet; thence S. 89 degrees 48' 51" E. a
7 distance of 27.00 feet; thence S. 00 degrees 12' 03"
8 W. a distance of 443.57 feet; thence S. 89 degrees 43'
9 03" E. a distance of 32.95 feet; thence S. 00 degrees
10 14' 28" W. along the East line of a retaining wall a
11 distance of 733.66 feet to a point on the South line
12 of Block 1 of OAK PARK ADDITION; thence S. 89 degrees
13 52' 55" W. along the South line of Blocks 1 and 7 of
14 OAK PARK ADDITION a distance of 810.11 feet to the
15 Southwest corner of said Block 7; thence N. 00 degrees
16 10' 36" E. along the West line of said Block 7, OAK
17 PARK ADDITION a distance of 213.87 feet; thence N. 89
18 degrees 49' 24" W. a distance of 3.40 feet; thence N.
19 00 degrees 10' 36" E. along the West line of Block 24,
20 HOWE'S CAPITOL ADDITION a distance of 190.00 feet;
21 thence S. 89 degrees 49' 24" E. a distance of 8.10
22 feet; thence N. 00 degrees 10' 36" E. along the West
23 line of Block 18, HOWE'S CAPITOL ADDITION a distance
24 of 405.00 feet to the Point of Beginning and

1 containing 1,146,572 Square Feet or 26.32 Acres more
2 or less;

3 b. That portion of the property described in subparagraph
4 a known as the Research Building shall be transferred
5 to the Authority, but shall be leased to the
6 University of Oklahoma for a term of not less than
7 forty (40) years from the date thereof; and

8 c. All of Blocks 1 and 2 of Culbertson Heights Addition,
9 and all of Block 3 and Lots 3 through 20 and the North
10 50 feet of Lots 21 through 38 of Block 12, Oak Park
11 Addition to the City of Oklahoma City, Oklahoma,
12 including the encompassed and abutting portions of the
13 vacated Northeast 11th Street, Park Place and
14 Northeast 10th Street, and the abutting portion of
15 Everest Avenue and the alley way in Block 12 of the
16 said Oak Park Addition.

17 D. Properties to be retained by the Department of Human
18 Services include:

19 1. The Service Center Building and land located on: The South
20 100 feet of Block 12 and all of Block 17, Oak Park Addition to the
21 City of Oklahoma City, Oklahoma, including the encompassed or
22 abutting portions of vacated Everest Avenue and Northeast 9th
23 Street. (219,300 sq. ft., 5.03 acres); and
24

1 2. The Management Information Division Building and land
2 located on: The West 7 feet of Lot 5 and all of Lots 6 through 19,
3 and the East 5 feet of Lot 20 and the North 59.5 feet of Lots 21
4 through 26, and the North 59.5 feet of the West 49.5 feet of Lot 27,
5 all in Block 13, Culbertson Heights Addition to the City of Oklahoma
6 City, Oklahoma, and also including the West 106 feet of the vacated
7 Northeast 12th Street abutting said Block 13. (82,199 sq. ft., 1.89
8 acres).

9 E. Appropriate conveyances shall be executed to effectuate the
10 transfers specified by subsections B, C and D of this section.

11 SECTION 4. AMENDATORY 63 O.S. 2011, Section 3207, is
12 amended to read as follows:

13 Section 3207. A. There is hereby created the University
14 Hospitals Authority, an agency of the State of Oklahoma, a body
15 corporate and politic, with powers of government and with the
16 authority to exercise the rights, privileges and functions as
17 specified in the University Hospitals Authority Act. The University
18 Hospitals Authority is an agency of the State of Oklahoma covered by
19 the Governmental Tort Claims Act.

20 B. The Authority shall consist of six (6) members as follows:

21 1. One member shall be appointed by the Governor, with the
22 advice and consent of the Senate;

23 2. One member shall be appointed by the President Pro Tempore
24 of the Senate;

1 3. One member shall be appointed by the Speaker of the House of
2 Representatives;

3 4. One member shall be the ~~Director for Human Services or the~~
4 ~~director of the successor organization responsible for Medicaid~~
5 Administrator of the Oklahoma Health Care Authority, or his or her
6 designee;

7 5. One member shall be the Provost of the University of
8 Oklahoma Health Sciences Center; and

9 6. The Chief Executive Officer of the University Hospitals
10 Authority who shall be an ex officio, nonvoting member.

11 C. ~~All members shall be appointed by June 1, 1993. Of the~~
12 ~~members of the Authority initially appointed, the member appointed~~
13 ~~by the President Pro Tempore of the Senate shall serve a term of one~~
14 ~~(1) year; the member appointed by the Speaker of the House of~~
15 ~~Representatives shall serve a term of two (2) years; and the member~~
16 ~~appointed by the Governor shall serve a term of three (3) years.~~
17 ~~Successors shall be appointed for terms of three (3) years.~~

18 ~~D.~~ Each member of the Authority, prior to appointment, shall be
19 a resident of the state and a qualified elector.

20 ~~E. Members~~ D. Each appointed member shall be removable only
21 for cause by the serve at the pleasure of his or her appointing
22 authority and be removed or replaced without cause. Members serving
23 on November 1, 2019, shall continue serving unless and until another
24 appointment is made by the appointing authority. Any vacancy

1 occurring on the Authority shall be filled by the original
2 appointing authority.

3 ~~F.~~ E. The members of the Authority shall serve without
4 compensation but may be reimbursed for all actual and necessary
5 travel expenses incurred in performance of their duties in
6 accordance with the provisions of the State Travel Reimbursement
7 Act, Section 500.1 et seq. of Title 74 of the Oklahoma Statutes.

8 ~~G.~~ F. All members of the Authority and administrative personnel
9 of the Authority shall be subject to the Rules of the Ethics
10 Commission and the provisions of the Oklahoma Ethics Commission Act,
11 Section 4200 et seq. of Title 74 of the Oklahoma Statutes.

12 ~~H.~~ G. A quorum of the Authority shall be three (3) voting
13 members. Members shall elect a chair and vice chair for the
14 Authority from among its members. The chair must be an appointed
15 member of the Authority.

16 ~~I.~~ H. The Authority shall be subject to the Open Meeting Act,
17 Section 301 et seq. of Title 25 of the Oklahoma Statutes, and the
18 Open Records Act, Section 24A.1 et seq. of Title 51 of the Oklahoma
19 Statutes, except as otherwise provided by this act. Any information
20 submitted to or compiled by the Authority except for budgetary
21 information related to appropriations or the appropriations process
22 with respect to the marketing plans, financial statements, trade
23 secrets, research concepts, methods or products, or any other
24 proprietary information of the Authority, persons, firms,

1 associations, partnerships, agencies, corporations, institutions of
2 higher education, nonprofit research institutions or other entities
3 shall be confidential, except to the extent that the person or
4 entity which provided such information or which is the subject of
5 such information consents to disclosure. Executive sessions may be
6 held to discuss such materials if deemed necessary by the Authority.

7 SECTION 5. AMENDATORY 63 O.S. 2011, Section 3208, as
8 amended by Section 513, Chapter 304, O.S.L. 2012 (63 O.S. Supp.
9 2018, Section 3208), is amended to read as follows:

10 Section 3208. A. ~~On and after June 1, 1993, and until July 1,~~
11 ~~1993, in order to effectuate the transfer of the University~~
12 ~~Hospitals from the Commission for Human Services and the Department~~
13 ~~of Human Services to the University Hospitals Authority, the~~
14 ~~Authority shall have the powers and duties to:~~

15 1. ~~Adopt bylaws and promulgate rules for the regulation of its~~
16 ~~affairs and the conduct of its business;~~

17 2. ~~Adopt an official seal;~~

18 3. ~~Maintain an office at the University Hospitals;~~

19 4. ~~Make and enter into all contracts necessary or incidental to~~
20 ~~the performance of its duties and the execution of its powers~~
21 ~~pursuant to the University Hospitals Authority Act;~~

22 5. ~~Appoint such officers, agents and employees, including but~~
23 ~~not limited to attorneys, as it deems necessary to implement the~~

24

1 ~~provisions of this subsection to prescribe their duties and to fix~~
2 ~~their compensation; and~~

3 ~~6. Establish petty cash funds and provide for appropriate~~
4 ~~accounting procedures and controls.~~

5 ~~B. On and after July 1, 1993, the~~ The Authority shall have the
6 power ~~and duty~~ to:

7 1. Adopt bylaws and promulgate rules for the regulation of its
8 affairs and the conduct of its business;

9 2. Adopt an official seal;

10 3. Maintain an office at the University Hospitals;

11 4. Sue and be sued, subject to the provisions of The
12 Governmental Tort Claims Act;

13 5. Establish rates of payment for hospital and clinical
14 services, which shall provide for exceptions and adjustments in
15 cases where the recipients of services are unable to pay and for
16 whom no third party source of payment is available, and to establish
17 different rates of payment for indigent and nonindigent care;

18 6. Enter into cooperative agreements with the Board of Regents
19 of the University of Oklahoma for educational programs, professional
20 staffing, research and other medical activities and to pass through
21 funds appropriated by the Legislature consistent with past practice;

22 7. Make and enter into all contracts necessary or incidental to
23 the performance of its duties and the execution of its powers
24 pursuant to the University Hospitals Authority Act;

1 8. Purchase or lease equipment, furniture, materials and
2 supplies, and incur such other expenses as may be necessary to
3 maintain and operate the hospitals or clinics, or to discharge its
4 duties and responsibilities or to make any of its powers effective;

5 9. Acquire by purchase, lease, gift, or by any other manner,
6 and to maintain, use and operate or to contract for the maintenance,
7 use and operation of or lease of any and all property of any kind,
8 real, personal, or mixed or any interest therein unless otherwise
9 provided by the University Hospitals Authority Act;

10 10. Appoint such officers, agents and employees, including but
11 not limited to attorneys, architects and construction managers, as
12 it deems necessary to operate and maintain the University Hospitals
13 and to prescribe their duties and to fix their compensation. ~~The~~
14 ~~Authority shall employ and fix the duties and compensation of an~~
15 ~~administrator of the hospitals.;~~

16 11. Accept grants from the United States of America, or from
17 any corporation or agency created or ~~designed~~ designated by the
18 United States of America, and, in connection with any such grant, to
19 enter into such agreements as the United States of America or such
20 corporation or agency may require;

21 12. Make and issue bonds and to pledge revenues of the
22 Authority subject to the Oklahoma Bond Oversight and Reform Act.
23 Nothing in the University Hospitals Authority Act shall authorize
24 the issuance of any bonds of the Authority payable other than from

1 revenues of the University Hospitals. Funds appropriated to the
2 University Hospitals shall not be used for issuance of bonds.
3 Authority revenue bonds issued under the provisions of ~~this act~~ the
4 University Hospitals Authority Act shall not at any time be deemed
5 to constitute a debt of the state or of any political subdivision
6 thereof or a pledge of the faith and credit of the state or of any
7 political subdivision, but such bonds shall be payable solely from
8 the funds herein provided. Such revenue bonds shall contain on the
9 face thereof a statement to the effect that neither the state nor
10 the Authority shall be obligated to pay the same or the interest
11 thereon except from the revenues of the project or projects for
12 which they are issued and that neither the faith and credit nor the
13 taxing power of the state or any political subdivision thereof is
14 pledged, or may hereafter be pledged, to the payment of the
15 principal of or the interest on such bonds. The maximum amount of
16 outstanding bonds at any time shall not exceed Fifty Million Dollars
17 (\$50,000,000.00) unless a greater amount is expressly approved by
18 the Legislature by a concurrent resolution adopted prior to
19 commencing any action in anticipation of issuance of revenue bonds
20 of the University Hospitals Authority for the greater amount;

21 13. Provide for complete financial audits on all accounts of
22 the University Hospitals Authority and to authorize periodic audits
23 by an independent external auditing agency. Such audits to be
24 performed annually in a format approved by the State Auditor and

1 Inspector and all such audits shall be submitted to the State
2 Auditor and Inspector for review. Such audits shall be made in
3 accordance with generally accepted auditing standards and government
4 auditing standards. Financial statements shall be prepared in
5 accordance with generally accepted accounting ~~principals~~ principles.
6 In addition to said audits, the State Auditor and Inspector,
7 whenever he or she deems it appropriate, and at least once each five
8 (5) years, or upon receipt of a request to do so from the Governor,
9 the Attorney General, the President Pro Tempore of the Senate, the
10 Speaker of the House of Representatives or the Authority shall
11 conduct a special audit of the Authority and the University
12 Hospitals;

13 14. Engage in long-term planning for the operation and
14 management of the University Hospitals;

15 15. Establish petty cash funds and provide for appropriate
16 accounting procedures and controls;

17 16. Contract with national manufacturers, wholesalers and
18 distributors of equipment, drugs and medical supplies when
19 appropriate to carry out the purposes of ~~this act~~ the University
20 Hospitals Authority Act;

21 17. Do all other things necessary and proper to implement the
22 provisions of the University Hospitals Authority Act;

23 18. Waive, by such means as the Authority deems appropriate,
24 the exemption from federal income taxation of interest on the

1 Authority's bonds provided by the Internal Revenue Code of 1986, as
2 amended, or any other federal statute providing a similar exemption;
3 ~~and~~

4 19. Arrange for guaranties or insurance of its bonds by the
5 federal government or by any private insurer, and to pay any
6 premiums therefor; and

7 20. Adopt policies for the disposal of surplus property.

8 ~~C. B.~~ The University Hospitals Authority ~~and the University~~
9 ~~Hospitals~~ shall be subject to the Oklahoma State Finance Act,
10 Section 34 et seq. of Title 62 of the Oklahoma Statutes.

11 ~~D. C.~~ The Authority shall prepare monthly a "budget vs. actual"
12 report which shows by budget activity the monthly and year-to-date
13 revenues and expenditures compared to budgeted revenues and
14 expenditures. Such report shall be submitted upon request to the
15 Office of Management and Enterprise Services and to the Directors of
16 the House of Representatives Fiscal Division and the Senate Fiscal
17 Division.

18 ~~E. D.~~ The Authority shall be subject to the professional risk
19 management program provided for in Section 85.58A of Title 74 of the
20 Oklahoma Statutes.

21 ~~F. The Department of Human Services Institutional Maintenance~~
22 ~~and Construction Unit and the Architecture and Engineering Planning~~
23 ~~Unit should be given first priority to be vendor for the University~~

24

1 ~~Hospitals Authority for construction and remodeling projects which~~
2 ~~fall within their scope of services.~~

3 E. The Authority may enter into contracts for construction and
4 remodeling projects ~~with another contractor only after compliance~~
5 ~~with all other~~ in accordance with applicable statutes and ~~after~~
6 ~~making a specific finding that another contractor is more~~
7 ~~competitive~~ its own administrative rules. The Authority shall have
8 the power to authorize the demolition of any building owned by the
9 Authority upon a finding that the building is no longer suitable for
10 the purposes for which it was intended and that a renovation of the
11 building is not economically justifiable.

12 ~~G. F.~~ The Authority ~~shall continue to~~ may provide space,
13 utilities and janitorial services to the Department of Human
14 Services Institutional Maintenance and Construction Architecture and
15 Engineering Planning Unit.

16 SECTION 6. AMENDATORY 63 O.S. 2011, Section 3210, is
17 amended to read as follows:

18 Section 3210. A. ~~Effective July 1, 1993, the University~~
19 ~~Hospitals, subject to the direction of the~~ The University Hospitals
20 Authority, shall have the authority to:

- 21 1. Enter into agreements and cooperative ventures with other
22 health care providers to share services or to provide a benefit to
23 the hospitals;

24

1 2. Make and enter into all contracts and agreements necessary
2 or incidental to the performance of its duties and the execution of
3 its powers pursuant to the University Hospitals Authority Act;

4 3. Join or sponsor ~~membership in~~ organizations or associations
5 intended to benefit the hospitals;

6 4. Have members of its governing body or its officers or
7 administrators serve without pay as directors or officers of any
8 organization, association or cooperative ventures authorized
9 pursuant to the University Hospitals Authority Act; and

10 5. Offer, directly or indirectly, products and services of the
11 hospitals, any cooperative venture or organization to the general
12 public.

13 B. All agreements and obligations undertaken, as permitted
14 under this section, by the University Hospitals Authority shall be
15 for a public purpose. In addition to any other limitations,
16 conditions or restrictions provided by law, the following conditions
17 shall apply to contractual agreements entered into pursuant to this
18 section:

19 1. Private and public funds shall be accounted for separately;
20 and

21 2. The state does not assume any liability for private
22 entities.

23 SECTION 7. AMENDATORY 63 O.S. 2011, Section 3221, is
24 amended to read as follows:

1 Section 3221. A. There is hereby created in the State Treasury
2 a revolving fund for the University Hospitals Authority, to be
3 designated the "University Hospitals Authority Disbursing Fund".
4 The fund shall be a continuing fund, not subject to fiscal year
5 limitations, and shall consist of appropriated revenues, revenues
6 earned by the Authority, donations and federal entitlements. All
7 monies accruing to the credit of said fund are hereby appropriated
8 and may be budgeted and expended by the University Hospitals
9 Authority.

10 B. Following the execution of a lease of real properties under
11 the jurisdiction of the University Hospitals Authority to the
12 University Hospitals Trust pursuant to Section 3226 of this title,
13 monies from the fund may be expended by the Authority for the fiscal
14 year ending June 30, 1998, for the operations of the Authority after
15 the execution of the lease to the University Hospitals Trust for
16 payment of any costs to the Authority associated with the transfer
17 of operations of facilities under the jurisdiction of the Authority,
18 and legal obligations of the Authority. After July 1, 1998, the
19 operation of the Authority may be funded from the interest earned by
20 the fund.

21 C. After July 1, 2010, the principal and interest earned on the
22 fund may be expended by the Authority for the operation of the
23 Authority and for the completion of the mission of the Authority.
24

1 D. It is the intent of the Legislature to restore the fund to
2 the June 30, 2010, balance in the event that the state resumes
3 operations of any of the facilities operated by the Authority prior
4 to a lease being executed.

5 SECTION 8. AMENDATORY 63 O.S. 2011, Section 3224, as
6 amended by Section 1, Chapter 387, O.S.L. 2016 (63 O.S. Supp. 2018,
7 Section 3224), is amended to read as follows:

8 Section 3224. A. The State of Oklahoma expressly approves the
9 creation of a public trust to be denominated the "University
10 Hospitals Trust", of which the State of Oklahoma shall be the
11 beneficiary, provided such approval shall be contingent upon the
12 following conditions being satisfied:

- 13 1. Finalizing of the Declaration of Trust;
- 14 2. Adoption of the Declaration of Trust by an official action
15 of the trustees of the Trust;
- 16 3. Submission of the Trust for acceptance of the beneficial
17 interest and approval as required by Section 177 of Title 60 of the
18 Oklahoma Statutes; and
- 19 4. The approved Declaration of Trust shall:
 - 20 a. clearly state that the principal purpose of the
21 University Hospitals Trust is to effectuate the
22 purposes of the University Hospitals Authority as
23 established in the University Hospitals Authority Act,
24

- 1 b. except as otherwise provided by law, provide that the
2 fee simple title to real property held by the
3 University Hospitals Authority shall not be
4 transferred, conveyed, or assigned to the University
5 Hospitals Trust without the express consent of the
6 Legislature as the governing entity of the beneficiary
7 pursuant to Section 176 of Title 60 of the Oklahoma
8 Statutes,
- 9 c. provide that any indebtedness incurred by the
10 University Hospitals Trust or the trustees of the
11 Trust shall not be secured with or create a lien upon
12 real property to which title is held by the University
13 Hospitals Authority and shall not involve the bonding
14 capacity of the University Hospitals Authority,
- 15 d. provide that the trust estate of the University
16 Hospitals Trust shall not include fee simple title to
17 real property owned by the University Hospitals
18 Authority,
- 19 e. clearly state that the creation of the University
20 Hospitals Trust shall not in any way reduce, limit or
21 interfere with the power granted to the University
22 Hospitals Authority in the University Hospitals
23 Authority Act,
- 24

1 f. provide that any lease or contractual agreement
2 involving use of the real property to which title is
3 held by the University Hospitals Authority and any
4 improvements thereto shall contain a provision and
5 covenants requiring the proper maintenance and upkeep
6 of the real property and improvements,

7 g. provide that the trustees of the University Hospitals
8 Trust shall be the acting members of the University
9 Hospitals Authority as provided in the University
10 Hospitals Authority Act, and

11 h. provide that the trustees of the University Hospitals
12 Trust shall have the duty to submit an annual report
13 to the Governor, the President Pro Tempore of the
14 Senate and the Speaker of the House of
15 Representatives. The report shall be submitted by
16 January 1 of each year and shall include an account of
17 all operations, actions of the Trust, account of all
18 revenue received and disbursed by the Trust for the
19 previous fiscal year. The report shall also provide a
20 complete accounting of how the Trust meets its primary
21 function of effectuating the purposes of the
22 University Hospitals Authority, as established in the
23 University Hospitals Authority Act.
24

1 B. The University Hospitals Trust shall require any agreements
2 which it enters into with any entity pursuant to Section 3226 of
3 this title for the operations of facilities leased by the University
4 Hospitals Authority to the Trust to include, but not be limited to:

5 1. The inclusion of four of the five members of the Trust as
6 four of the five members representing the State of Oklahoma as state
7 appointees to the governing committee created pursuant to a proposed
8 agreement;

9 2. Binding arbitration shall not be involved in such agreements
10 for resolving issues under consideration by the governing committee;
11 and

12 3. Major decisions shall be resolved by the governing
13 committee, and approval of any major decision by the governing
14 committee must include the approval of a majority of the state
15 appointees and the approval of a majority of the members of the
16 private entity appointees to the governing committee. Major
17 decisions shall include:

- 18 a. approval of the annual operating and capital budgets,
- 19 b. sale or disposition of assets that individually have a
20 fair market value over Two Hundred Fifty Thousand
21 Dollars (\$250,000.00),
- 22 c. the termination or transfer or material addition or
23 material diminution of medical services at the
24 Oklahoma Medical Center related to and part of a

1 teaching program of the University of Oklahoma Health
2 Sciences Center, and

3 d. other major decisions as may be agreed upon by the
4 Trust and the private entity.

5 C. To the extent it is determined by legislative enactment that
6 the Trust has expended funds in contravention of its mission as set
7 forth in this section, the Trust shall remit, upon thirty (30) days'
8 written notice from the University Hospitals Authority, such sum or
9 sums to the University Hospitals Authority.

10 D. In the event the Trust enters into a joint venture or
11 acquires an interest in a not-for-profit entity to effectuate the
12 administration of the mission of the Trust, that entity shall not be
13 subject to the Oklahoma Open Meeting Act and the Oklahoma Open
14 Records Act. Any information submitted to or compiled by the Trust
15 with respect to marketing plans, financial statements, trade
16 secrets, research concepts, methods or products or any other
17 proprietary information submitted to or compiled by the Trust,
18 persons, firms, associations, partnerships, agencies, corporations,
19 institutions of higher education, nonprofit research institutions or
20 other entities shall be confidential, except to the extent that the
21 person or entity which provided such information or which is the
22 subject of such information consents to disclosure. Executive
23 sessions may be held to discuss such materials if deemed necessary
24 by the Trust. The provisions of this subsection shall not apply to

1 budgetary information related to appropriations or the
2 appropriations process.

3 E. In addition to the powers and exemptions granted to state
4 beneficiary public trusts organized under Section 176 et seq. of
5 Title 60 of the Oklahoma Statutes, the Trust shall possess all the
6 statutory powers and exemptions provided to the University Hospitals
7 Authority.

8 F. The Trust shall have the authority or may contract with a
9 joint operator or with a foundation supporting the programs of
10 Children's Hospital to sell naming rights to property owned or
11 leased by the Trust, provided proceeds from the sale of naming
12 rights are used to effectuate the purposes of the University
13 Hospitals Authority as established in the University Hospitals
14 Authority Act and are specifically approved by the Trust, which
15 shall have absolute discretion in granting or denying naming rights.
16 Naming rights shall not include any interest in the property by the
17 purchaser other than the naming rights.

18 SECTION 9. AMENDATORY 61 O.S. 2011, Section 207.2, as
19 amended by Section 323, Chapter 304, O.S.L. 2012 (61 O.S. Supp.
20 2018, Section 207.2), is amended to read as follows:

21 Section 207.2. A. Except as provided by subsection B of this
22 section, no state agency shall employ, either temporary or full-
23 time, any person engaged in the practice of architecture,
24 engineering or land surveying for the purpose of planning or

1 performing any construction upon any real property belonging to the
2 agency or to the state, or upon any real property of which this
3 state will assume possession or ownership by contract, option to
4 purchase agreement, lease, or otherwise. The term "practice of
5 architecture" shall be defined as those activities of an architect
6 as provided for in Section 46.3 of Title 59 of the Oklahoma
7 Statutes. The terms "practice of engineering" or the "practice of
8 land surveying" shall be defined as such terms are defined by
9 Section 475.2 of Title 59 of the Oklahoma Statutes.

10 B. The provisions of subsection A of this section shall not
11 apply to:

- 12 1. The Department of Human Services;
- 13 2. The Oklahoma Tourism and Recreation Department;
- 14 3. The State Department of Health insofar as the monitoring of
15 permitted health care facility construction for licensing purposes;
- 16 4. The Oklahoma Historical Society insofar as the monitoring of
17 historical site preservation and authenticity;
- 18 5. The Office of Management and Enterprise Services;
- 19 6. The State Department of Education and the public schools
20 subject to its jurisdiction;
- 21 7. The Department of Transportation;
- 22 8. The Oklahoma State System of Higher Education;
- 23 9. The Military Department of the State of Oklahoma;
- 24 10. The Oklahoma Municipal Power Authority;

1 11. The Department of Public Safety gun range; ~~and~~

2 12. CompSource Oklahoma if CompSource Oklahoma is operating
3 pursuant to a pilot program authorized by Sections 3316 and 3317 of
4 Title 74 of the Oklahoma Statutes; and

5 13. The University Hospitals Authority and University Hospitals
6 Trust.

7 SECTION 10. AMENDATORY 74 O.S. 2011, Section 62.3, as
8 last amended by Section 3, Chapter 309, O.S.L. 2016 (74 O.S. Supp.
9 2018, Section 62.3), is amended to read as follows:

10 Section 62.3. A. The Director of the Office of Management and
11 Enterprise Services shall promulgate rules for use by state agencies
12 and the Office of Management and Enterprise Services to dispose of
13 surplus property. The rules shall include standards for
14 recordkeeping, methods for removal or disposal of surplus property,
15 and acquisition by state agencies and authorized entities of surplus
16 property, and for Office management of surplus property programs.

17 B. A state agency selling, trading, redistributing or otherwise
18 disposing of surplus property shall comply with the rules
19 promulgated by the Director.

20 C. The Office shall make surplus property available to state
21 agencies and authorized entities, which shall include political
22 subdivisions, school districts, and nonprofit entities of this
23 state.

1 D. The provisions of the Oklahoma Surplus Property Act shall
2 not apply to institutions of higher education in this state, the
3 Oklahoma Historical Society, the University Hospitals Authority or
4 University Hospitals Trust or the Northeast Oklahoma Public
5 Facilities Authority. The Grand River Dam Authority shall be exempt
6 from the provisions of the Oklahoma Surplus Property Act for any
7 surplus property disposed of prior to November 1, 2006. CompSource
8 Oklahoma shall be exempt from the provisions of the Oklahoma Surplus
9 Property Act if CompSource Oklahoma is operating pursuant to a pilot
10 program authorized by Sections 3316 and 3317 of this title.

11 E. Notwithstanding the provisions of the Oklahoma Surplus
12 Property Act, the Oklahoma State Bureau of Investigation may,
13 pursuant to rules promulgated by the Oklahoma State Bureau of
14 Investigation Commission for that purpose, donate any surplus
15 property, as defined in Section 62.2 of this title, to any law
16 enforcement agency of any political subdivision of the State of
17 Oklahoma. The use of such donated equipment shall be limited to
18 valid and authorized law enforcement efforts by the receiving
19 agency.

20 SECTION 11. REPEALER 63 O.S. 2011, Sections 3211 and
21 3212, as amended by Sections 514 and 515, Chapter 304, O.S.L. 2012,
22 3213.2, 3221.1 and 3223, as amended by Sections 516 and 517, Chapter
23 304, O.S.L. 2012, 3227, 3227.1, as amended by Section 518, Chapter
24

1 304, O.S.L. 2012 and 3228 (63 O.S. Supp. 2018, Sections 3211, 3212,
2 3221.1, 3223 and 3227.1), are hereby repealed.

3 SECTION 12. This act shall become effective November 1, 2019.
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