

1 ENGROSSED SENATE  
2 BILL NO. 1377

By: Pugh of the Senate

and

Moore of the House

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5  
6 An Act relating to higher education; amending 70 O.S.  
7 2021, Section 3510, which relates to the Board of  
8 Regents of Oklahoma Colleges; adding statutory  
9 reference; allowing the Regional University System of  
10 Oklahoma (RUSO) to issue certain obligations for  
11 certain purposes; amending 70 O.S. 2021, Sections  
12 3980.2, 3980.3, and 3980.4, which relate to the  
13 Oklahoma Higher Education Promise of Excellence Act  
14 of 2005; adding statutory reference; stating  
15 legislative intent that RUSO become an issuer of  
16 certain obligations; modifying certain definitions;  
17 modifying certain authority to issue certain  
18 indebtedness; authorizing RUSO to issue indebtedness  
19 for certain projects; providing for pledging of  
20 certain revenue for repayment; updating references;  
21 updating statutory language; providing an effective  
22 date; and declaring an emergency.

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

24 SECTION 1. AMENDATORY 70 O.S. 2021, Section 3510, is  
amended to read as follows:

Section 3510. The Board of Regents of Oklahoma Colleges, also  
known as the Regional University System of Oklahoma (RUSO) pursuant  
to Section 3507.1 of this title, shall have the supervision,  
management, and control of the University of Central Oklahoma, East  
Central University, Northeastern State University, Northwestern

1 State University, Southeastern Oklahoma State University, and  
2 Southwestern Oklahoma State University; and it shall have the  
3 following additional powers and duties:

4 (a) Adopt such rules and regulations as it deems necessary to  
5 govern each of the institutions under its jurisdiction.

6 (b) Employ and fix the compensation and duties of such personnel  
7 as it deems necessary, including architects, attorneys, engineers,  
8 and other professional and technical persons for its operation and  
9 for the operation of the institutions under its jurisdiction. Any  
10 of such personnel having custody of public funds or other public  
11 property may be required to furnish corporate surety bonds in such  
12 amounts as may be deemed necessary by the Board, payable to ~~the~~  
13 ~~State of Oklahoma~~ this state and conditioned upon a faithful  
14 accounting of all such funds and property.

15 (c) Enter into contracts, purchase supplies, materials and  
16 equipment, and incur such other expenses as may be necessary to make  
17 any of its powers effective.

18 (d) Authorize officials at the several institutions under its  
19 jurisdiction to act in its behalf in the making of contracts, or in  
20 carrying out the powers conferred upon it.

21 (e) Receive and make disposition of monies, grants, and property  
22 from federal agencies, and administer the same in accordance with  
23 federal requirements.

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1 (f) Accept gifts of real and personal property, money, and other  
2 things, and use or dispose of the same in accordance with the  
3 directions of the donors or grantors thereof.

4 (g) Direct the disposition of all monies appropriated by the  
5 Legislature or by the Congress or derived from the sale of bonds or  
6 received from any other source by the institutions under its  
7 jurisdiction.

8 (h) Acquire and take title to real and personal property in its  
9 name, on behalf of any of the institutions under its jurisdiction,  
10 and convey, exchange, or dispose of, or otherwise manage or control,  
11 such property in the interest of such institutions, including the  
12 granting of leases, permits, easements, and licenses over or upon  
13 any such real property. The Board shall have the power to institute  
14 any legal action in the name of the Board before any court having  
15 jurisdiction of such actions. The Board shall have custody of  
16 abstracts of title and instruments affecting the ownership of or  
17 title to real property acquired for or belonging to such  
18 institutions.

19 (i) Have supervision and charge of the construction of all  
20 buildings at institutions under its jurisdiction.

21 (j) Determine the need for and cause to be constructed  
22 dormitories and other buildings, on a self-liquidating basis, at any  
23 institution under its jurisdiction.

1 (k) Establish and maintain plans for tenure and retirement of  
2 employees of the Board and of the institutions under its  
3 jurisdiction, and for payment of deferred compensation of such  
4 employees; and provide hospital and medical benefits, accident,  
5 health, and life insurance, and annuity contracts, for such  
6 employees and their dependents. The Board may pay for all or a part  
7 of the cost thereof for employees, with funds available for the  
8 operation of the institution. Amounts payable by an employee for  
9 such insurance or annuity contracts may, with the consent of the  
10 employee, be deducted from his salary.

11 (l) Maintain an inventory of all property belonging to each of  
12 the institutions under its jurisdiction.

13 (m) Audit all accounts against the funds allocated to the  
14 institutions under its jurisdiction.

15 (n) Provide penalties and forfeitures by way of damages and  
16 otherwise for the violation of rules and regulations of the Board,  
17 which may be sued for and collected in the name of the Board before  
18 any court having jurisdiction of such actions.

19 (o) Do all things necessary or convenient to carry out the  
20 powers expressly granted to it by Article XIII-B of the Constitution  
21 and the Statutes of Oklahoma, or to make institutions under its  
22 jurisdiction effective for the purposes for which they are  
23 maintained or operated.

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1        (p) Issue, on behalf of the institutions supervised and managed  
2 by RUSO, special and limited obligations for purposes of such  
3 capital projects as RUSO may deem proper.

4        SECTION 2.        AMENDATORY        70 O.S. 2021, Section 3980.2, is  
5 amended to read as follows:

6        Section 3980.2. A. It is the intent of the Legislature to  
7 authorize the Board of Regents of the University of Oklahoma, acting  
8 for the benefit of the University of Oklahoma, the Board of Regents  
9 for the Oklahoma Agricultural and Mechanical Colleges, acting for  
10 the benefit of Oklahoma State University, the Oklahoma State Regents  
11 for Higher Education, acting for the benefit of other institutions  
12 within The Oklahoma State System of Higher Education, the Board of  
13 Regents of Oklahoma Colleges, also known as the Regional University  
14 System of Oklahoma (RUSO) pursuant to Section 3507.1 of this title,  
15 acting for the benefit of the institutions supervised and managed by  
16 RUSO, and the Oklahoma Capitol Improvement Authority to become  
17 issuers of obligations according to the provisions and for the  
18 purposes authorized by ~~this act~~ the Oklahoma Higher Education  
19 Promise of Excellence Act of 2005.

20        B. Obligations issued by any of the authorized issuers pursuant  
21 to ~~this act~~ the Oklahoma Higher Education Promise of Excellence Act  
22 of 2005 supported by appropriation of revenues from the Oklahoma  
23 Education Lottery Trust Fund pursuant to Section 41 of Article X of  
24 the Oklahoma Constitution shall be considered and deemed to have

1 | been authorized for the purposes of construction or acquisition of  
2 | educational facilities or equipment owned by or under the control of  
3 | the Oklahoma State Regents for Higher Education within the meaning  
4 | of paragraph 4 of subsection B of Section 41 of Article X of the  
5 | Oklahoma Constitution and/or capital outlay projects within the  
6 | meaning of paragraph 5 of subsection B of Section 41 of Article X of  
7 | the Oklahoma Constitution.

8 | C. Obligations issued pursuant to the authority of ~~this act~~ the  
9 | Oklahoma Higher Education Promise of Excellence Act of 2005 shall  
10 | not be deemed or considered to be general obligations of ~~the State~~  
11 | ~~of Oklahoma~~ this state, but shall be limited and special obligations  
12 | of the authorized issuer for the benefit of the applicable  
13 | institutions within The Oklahoma State System of Higher Education  
14 | under their respective auspices and control.

15 | D. Neither the appropriations powers of the Legislature  
16 | pursuant to Article V of the Oklahoma Constitution nor the powers  
17 | described by Section 3 of Article XIII-A of the Oklahoma  
18 | Constitution with respect to monies lawfully appropriated to the  
19 | Oklahoma State Regents for Higher Education nor the power of the  
20 | Legislature to impose taxes, generally, shall be pledged to the  
21 | repayment of any obligations issued pursuant to the provisions of  
22 | ~~this act~~ the Oklahoma Higher Education Promise of Excellence Act of  
23 | 2005 and any obligation issued by any authorized issuer hereunder  
24 | shall affirmatively state this restriction.

1 E. It is the intent of the Legislature to improve the ability  
2 of the Oklahoma State Regents for Higher Education and the other  
3 specifically designated Boards of Regents within The Oklahoma State  
4 System of Higher Education to finance capital improvements and to  
5 provide a method by which the total revenues available to each  
6 respective authorized issuer of obligations, or revenues available  
7 within The Oklahoma State System of Higher Education as prescribed  
8 by ~~this act~~ the Oklahoma Higher Education Promise of Excellence Act  
9 of 2005, may be pledged to the repayment of the obligations,  
10 resulting in a higher credit rating and an interest cost savings to  
11 The Oklahoma State System of Higher Education.

12 SECTION 3. AMENDATORY 70 O.S. 2021, Section 3980.3, is  
13 amended to read as follows:

14 Section 3980.3. As used in ~~this act~~ the Oklahoma Higher  
15 Education Promise of Excellence Act of 2005, and unless the context  
16 clearly requires otherwise:

17 1. "Authorized issuer" means:

- 18 a. the Oklahoma State Regents for Higher Education acting  
19 for the benefit of any institution within The Oklahoma  
20 State System of Higher Education other than the  
21 University of Oklahoma or Oklahoma State University,
- 22 b. the Board of Regents of the University of Oklahoma  
23 acting for the benefit of the University of Oklahoma,

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- 1 c. the Board of Regents for the Oklahoma Agricultural and  
2 Mechanical Colleges, acting for the benefit of  
3 Oklahoma State University, ~~and~~  
4 d. the Board of Regents of Oklahoma Colleges, also known  
5 as the Regional University System of Oklahoma (RUSO)  
6 pursuant to Section 3507.1 of this title, acting for  
7 the benefit of the institutions supervised and managed  
8 by RUSO, and  
9 e. the Oklahoma Capitol Improvement Authority;

10 2. "Bonds" means any bonds, notes, obligations, debentures,  
11 interim certificates, grant and revenue anticipation notes, interest  
12 in a lease, lease certificates of participation, lease purchase  
13 agreements, commercial paper, variable interest rate obligations of  
14 any kind, or other evidences of indebtedness, whether or not the  
15 interest on which is includable in the gross income of the  
16 recipients thereof for federal income tax purposes, issued by an  
17 authorized issuer pursuant to ~~this act~~ the Oklahoma Higher Education  
18 Promise of Excellence Act of 2005;

19 3. "Regents" means either the Oklahoma State Regents for Higher  
20 Education, the Board of Regents of the University of Oklahoma ~~or,~~  
21 the Board of Regents for the Oklahoma Agricultural and Mechanical  
22 Colleges, or RUSO; and

23 4. "State Regents" means the Oklahoma State Regents for Higher  
24 Education.

1 SECTION 4. AMENDATORY 70 O.S. 2021, Section 3980.4, is  
2 amended to read as follows:

3 Section 3980.4. A. The Oklahoma State Regents for Higher  
4 Education shall be authorized to issue indebtedness for capital  
5 projects to benefit each and every institution within The Oklahoma  
6 State System of Higher Education except the University of Oklahoma  
7 and Oklahoma State University.

8 B. The Board of Regents of the University of Oklahoma shall be  
9 authorized to issue indebtedness for capital projects to benefit the  
10 University of Oklahoma as provided by paragraph (n) of Section 3305  
11 of this title. The Board of Regents of the University of Oklahoma,  
12 acting for the benefit of the University of Oklahoma, shall be  
13 authorized to pledge any lawfully available source of revenue other  
14 than revenues appropriated by the Legislature from tax receipts, but  
15 inclusive of revenues derived from the Oklahoma Education Lottery  
16 Act accruing to the credit of the University of Oklahoma to the  
17 repayment of obligations issued pursuant to this subsection and,  
18 with respect to obligations issued for the purpose specified in  
19 Section 160.1 of Title 62 of the Oklahoma Statutes, inclusive of  
20 monies accruing to the credit of the Comprehensive Cancer Center  
21 Debt Service Revolving Fund.

22 C. The Board of Regents for the Oklahoma Agricultural and  
23 Mechanical Colleges shall be authorized to issue indebtedness for  
24 capital projects to benefit Oklahoma State University pursuant to

1 paragraph 16 of Section 3412 of this title. The Board of Regents  
2 for the Oklahoma Agricultural and Mechanical Colleges, acting for  
3 the benefit of Oklahoma State University, shall be authorized to  
4 pledge any lawfully available source of revenue, other than revenues  
5 appropriated by the Legislature from tax receipts, but inclusive of  
6 revenues derived from the Oklahoma Education Lottery Act, accruing  
7 to the credit of Oklahoma State University to the repayment of  
8 obligations issued pursuant to this subsection.

9 D. The Board of Regents of Oklahoma Colleges, also known as the  
10 Regional University System of Oklahoma (RUSO) pursuant to Section  
11 3507.1 of this title, shall be authorized to issue indebtedness for  
12 capital projects to benefit the institutions supervised and managed  
13 by RUSO. RUSO shall be authorized to pledge any lawfully available  
14 source of revenue, other than revenue appropriated by the  
15 Legislature from tax receipts, but inclusive of revenues derived  
16 from the Oklahoma Education Lottery Act, accruing to the credit of  
17 institutions supervised and managed by RUSO to the repayment of  
18 obligations issued pursuant to this subsection.

19 E. The Oklahoma State Regents for Higher Education shall be  
20 required to affirmatively approve the issuance of obligations  
21 pursuant to the provisions of ~~this act~~ the Oklahoma Higher Education  
22 Promise of Excellence Act of 2005 by either the Board of Regents of  
23 the University of Oklahoma, acting for the benefit of the University  
24 of Oklahoma ~~or,~~ the Board of Regents for the Oklahoma Agricultural

1 and Mechanical Colleges, acting for the benefit of Oklahoma State  
2 University, or RUSO, acting for the benefit of institutions  
3 supervised and managed by RUSO. For each of the proposed bond  
4 issues authorized pursuant to ~~this act~~ the Oklahoma Higher Education  
5 Promise of Excellence Act of 2005, a Statement of Essential Facts  
6 shall be prepared by the issuing Board of Regents for the use and  
7 information of prospective bond purchasers. It shall be the duty of  
8 the Oklahoma State Regents for Higher Education to examine such  
9 Statement of Essential Facts and determine that, based upon such  
10 facts and projections, the projected revenue will satisfy the  
11 financial obligation to be incurred under the proposed bond issue.  
12 If the facts are found by the State Regents to be substantially  
13 accurate and if the State Regents find that, based upon such facts  
14 and projections, the projected revenue will satisfy the financial  
15 obligation to be incurred under the proposed bond issue, then the  
16 Oklahoma State Regents for Higher Education shall certify such to  
17 the Governor, the Speaker of the ~~Oklahoma~~ House of Representatives,  
18 and the President Pro Tempore of the ~~Oklahoma State~~ Senate. The  
19 certificate shall be made in substantially the following form:

20       The Oklahoma State Regents for Higher Education do hereby  
21 certify that the provisions of this section have been complied with  
22 in proper order, for the bond issue mentioned above.

23       ~~E.~~ F. All obligations except refunding or defeasance  
24 obligations proposed to be issued by an authorized issuer pursuant

1 to the Oklahoma Higher Education Promise of Excellence Act of 2005  
2 shall be subject to final approval by the Legislature as provided by  
3 this subsection. The authorized issuer shall communicate the  
4 proposed projects and the terms of the financing to the Governor,  
5 the Speaker of the House of Representatives, and the President Pro  
6 Tempore of the ~~State~~ Senate prior to the time any such obligations  
7 are sold. The communication required by this subsection shall be  
8 made not later than April 1 each year. The communication to such  
9 elected officials shall occur upon the same date for purposes of  
10 computing the time within which action must be taken as further  
11 prescribed by this subsection. The Legislature shall have a period  
12 of forty-five calendar days from the date as of which the  
13 information is communicated to the presiding officers of both  
14 chambers in order to pass a Concurrent Resolution disapproving the  
15 proposed issuance. If the Concurrent Resolution has not received a  
16 majority of votes of those elected to and constituting both the  
17 ~~Oklahoma~~ House of Representatives and the ~~Oklahoma~~ State Senate by  
18 the end of the forty-fifth day following the date upon which the  
19 proposed issuance is communicated to the presiding officers of both  
20 chambers, the proposed issuance shall be deemed to have been  
21 approved by the Legislature.

22 F. G. With the approval of the Oklahoma State Regents for  
23 Higher Education, the total revenues described by subsection B and  
24 subsection C of this section may be pledged to the repayment of

1 obligations issued by either the Board of Regents of the University  
2 of Oklahoma or obligations issued by the Board of Regents for the  
3 Oklahoma Agricultural and Mechanical Colleges in order to obtain the  
4 highest possible credit rating. If the Board of Regents of the  
5 University of Oklahoma and the Board of Regents for the Oklahoma  
6 Agricultural and Mechanical Colleges agree to the use of the total  
7 revenues available to each such Board of Regents pursuant to this  
8 subsection for a project that benefits either the University of  
9 Oklahoma or Oklahoma State University or both such comprehensive  
10 universities, there shall be an agreement executed by both such  
11 Boards of Regents describing the project, the principal amount of  
12 the indebtedness, the terms of the financing, and such other matters  
13 as the two Boards of Regents may mutually agree. Such agreement  
14 shall be executed prior to the sale of any obligations by either  
15 Board of Regents with respect to the proposed project or projects.  
16 The agreement shall provide for one or the other Board of Regents to  
17 be the authorized issuer with respect to the project or projects.  
18 The agreement shall also provide for the ownership or control of any  
19 real or personal property to be improved or acquired with the  
20 proceeds from the sale of any such obligations, including any  
21 requirements for the transfer of real or personal property from one  
22 comprehensive university to the other comprehensive university if  
23 such transfer is required in order to promote or ensure the  
24 marketability of any obligations sold by either Board of Regents.

1        ~~G.~~ H. The Oklahoma State Regents for Higher Education may  
2 pledge all lawfully available revenues, other than revenues  
3 appropriated by the Legislature from tax receipts, but inclusive of  
4 revenues derived from the Oklahoma Education Lottery Act, and other  
5 than the revenues described by subsection B ~~or subsection, C, or D~~  
6 of this section, to the repayment of obligations issued by the State  
7 Regents.

8        ~~H.~~ I. The authorized issuers shall be subject to the following  
9 restrictions governing the issuance of the obligations authorized by  
10 ~~this act~~ the Oklahoma Higher Education Promise of Excellence Act of  
11 2005:

12        1. Obligations used to pay for the following assets shall be  
13 repaid in a period not to exceed five (5) years:

- 14            a. computers,
- 15            b. portable telecommunications equipment costing less  
16                than Fifty Thousand Dollars (\$50,000.00),
- 17            c. motor vehicles, and
- 18            d. any other item of tangible personal property with an  
19                original useful life of six (6) years or less;

20        2. Obligations used to pay for the following assets shall be  
21 repaid in a period not to exceed ten (10) years:

- 22            a. equipment with an original cost of less than One  
23                Hundred Thousand Dollars (\$100,000.00), ~~r~~ per item, and

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1           b.    renovation of existing structures, unless the cost of  
2                    the renovation exceeds the fair market value of the  
3                    existing structure or unless the improvement extends  
4                    the useful life of the existing structure, but in no  
5                    case shall the maturity period exceed the period by  
6                    which the life of the existing structure is extended;  
7                    and

8           3.    Obligations used to pay for all other assets shall be repaid  
9   in a period not to exceed thirty (30) years and in no case shall the  
10 latest maturity date of an obligation exceed the expected useful  
11 life of the asset.

12           SECTION 5.   This act shall become effective July 1, 2022.

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

