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February 16, 2022

COMMITTEE SUBSTITUTE  
FOR  
SENATE BILL NO. 1377

By: Pugh

[ higher education - Board of Regents of Oklahoma  
Colleges - certain obligations for certain purposes -  
indebtedness for certain projects - repayment -  
effective date -  
emergency ]

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

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

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

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

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

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

16 (e) Receive and make disposition of monies, grants, and property  
17 from federal agencies, and administer the same in accordance with  
18 federal requirements.

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

22 (g) Direct the disposition of all monies appropriated by the  
23 Legislature or by the Congress or derived from the sale of bonds or  
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1 received from any other source by the institutions under its  
2 jurisdiction.

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

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

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

19 (k) Establish and maintain plans for tenure and retirement of  
20 employees of the Board and of the institutions under its  
21 jurisdiction, and for payment of deferred compensation of such  
22 employees; and provide hospital and medical benefits, accident,  
23 health, and life insurance, and annuity contracts, for such  
24 employees and their dependents. The Board may pay for all or a part

1 of the cost thereof for employees, with funds available for the  
2 operation of the institution. Amounts payable by an employee for  
3 such insurance or annuity contracts may, with the consent of the  
4 employee, be deducted from his salary.

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

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

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

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

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

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

23 Section 3980.2. A. It is the intent of the Legislature to  
24 authorize the Board of Regents of the University of Oklahoma, acting

1 for the benefit of the University of Oklahoma, the Board of Regents  
2 for the Oklahoma Agricultural and Mechanical Colleges, acting for  
3 the benefit of Oklahoma State University, the Oklahoma State Regents  
4 for Higher Education, acting for the benefit of other institutions  
5 within The Oklahoma State System of Higher Education, the Board of  
6 Regents of Oklahoma Colleges, also known as the Regional University  
7 System of Oklahoma (RUSO) pursuant to Section 3507.1 of this title,  
8 acting for the benefit of the institutions supervised and managed by  
9 RUSO, and the Oklahoma Capitol Improvement Authority to become  
10 issuers of obligations according to the provisions and for the  
11 purposes authorized by ~~this act~~ the Oklahoma Higher Education  
12 Promise of Excellence Act of 2005.

13 B. Obligations issued by any of the authorized issuers pursuant  
14 to ~~this act~~ the Oklahoma Higher Education Promise of Excellence Act  
15 of 2005 supported by appropriation of revenues from the Oklahoma  
16 Education Lottery Trust Fund pursuant to Section 41 of Article X of  
17 the Oklahoma Constitution shall be considered and deemed to have  
18 been authorized for the purposes of construction or acquisition of  
19 educational facilities or equipment owned by or under the control of  
20 the Oklahoma State Regents for Higher Education within the meaning  
21 of paragraph 4 of subsection B of Section 41 of Article X of the  
22 Oklahoma Constitution and/or capital outlay projects within the  
23 meaning of paragraph 5 of subsection B of Section 41 of Article X of  
24 the Oklahoma Constitution.

1 C. Obligations issued pursuant to the authority of ~~this act~~ the  
2 Oklahoma Higher Education Promise of Excellence Act of 2005 shall  
3 not be deemed or considered to be general obligations of ~~the State~~  
4 ~~of Oklahoma~~ this state, but shall be limited and special obligations  
5 of the authorized issuer for the benefit of the applicable  
6 institutions within The Oklahoma State System of Higher Education  
7 under their respective auspices and control.

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

18 E. It is the intent of the Legislature to improve the ability  
19 of the Oklahoma State Regents for Higher Education and the other  
20 specifically designated Boards of Regents within The Oklahoma State  
21 System of Higher Education to finance capital improvements and to  
22 provide a method by which the total revenues available to each  
23 respective authorized issuer of obligations, or revenues available  
24 within The Oklahoma State System of Higher Education as prescribed

1 by ~~this act~~ the Oklahoma Higher Education Promise of Excellence Act  
2 of 2005, may be pledged to the repayment of the obligations,  
3 resulting in a higher credit rating and an interest cost savings to  
4 The Oklahoma State System of Higher Education.

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

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

10 1. "Authorized issuer" means:

- 11 a. the Oklahoma State Regents for Higher Education acting  
12 for the benefit of any institution within The Oklahoma  
13 State System of Higher Education other than the  
14 University of Oklahoma or Oklahoma State University,
- 15 b. the Board of Regents of the University of Oklahoma  
16 acting for the benefit of the University of Oklahoma,
- 17 c. the Board of Regents for the Oklahoma Agricultural and  
18 Mechanical Colleges, acting for the benefit of  
19 Oklahoma State University, ~~and~~
- 20 d. the Board of Regents of Oklahoma Colleges, also known  
21 as the Regional University System of Oklahoma (RUSO)  
22 pursuant to Section 3507.1 of this title, acting for  
23 the benefit of the institutions supervised and managed  
24 by RUSO, and

1           e.     the Oklahoma Capitol Improvement Authority;

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

11           3.   "Regents" means either the Oklahoma State Regents for Higher  
12 Education, the Board of Regents of the University of Oklahoma ~~or~~,  
13 the Board of Regents for the Oklahoma Agricultural and Mechanical  
14 Colleges, or RUSO; and

15           4.   "State Regents" means the Oklahoma State Regents for Higher  
16 Education.

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

19           Section 3980.4.   A.   The Oklahoma State Regents for Higher  
20 Education shall be authorized to issue indebtedness for capital  
21 projects to benefit each and every institution within The Oklahoma  
22 State System of Higher Education except the University of Oklahoma  
23 and Oklahoma State University.



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

15       C. The Board of Regents for the Oklahoma Agricultural and  
16 Mechanical Colleges shall be authorized to issue indebtedness for  
17 capital projects to benefit Oklahoma State University pursuant to  
18 paragraph 16 of Section 3412 of this title. The Board of Regents  
19 for the Oklahoma Agricultural and Mechanical Colleges, acting for  
20 the benefit of Oklahoma State University, shall be authorized to  
21 pledge any lawfully available source of revenue, other than revenues  
22 appropriated by the Legislature from tax receipts, but inclusive of  
23 revenues derived from the Oklahoma Education Lottery Act, accruing  
24

1 to the credit of Oklahoma State University to the repayment of  
2 obligations issued pursuant to this subsection.

3 D. The Board of Regents of Oklahoma Colleges, also known as the  
4 Regional University System of Oklahoma (RUSO) pursuant to Section  
5 3507.1 of this title, shall be authorized to issue indebtedness for  
6 capital projects to benefit the institutions supervised and managed  
7 by RUSO. RUSO shall be authorized to pledge any lawfully available  
8 source of revenue, other than revenue appropriated by the  
9 Legislature from tax receipts, but inclusive of revenues derived  
10 from the Oklahoma Education Lottery Act, accruing to the credit of  
11 institutions supervised and managed by RUSO to the repayment of  
12 obligations issued pursuant to this subsection.

13 E. The Oklahoma State Regents for Higher Education shall be  
14 required to affirmatively approve the issuance of obligations  
15 pursuant to the provisions of ~~this act~~ the Oklahoma Higher Education  
16 Promise of Excellence Act of 2005 by either the Board of Regents of  
17 the University of Oklahoma, acting for the benefit of the University  
18 of Oklahoma ~~or~~, the Board of Regents for the Oklahoma Agricultural  
19 and Mechanical Colleges, acting for the benefit of Oklahoma State  
20 University, or RUSO, acting for the benefit of institutions  
21 supervised and managed by RUSO. For each of the proposed bond  
22 issues authorized pursuant to ~~this act~~ the Oklahoma Higher Education  
23 Promise of Excellence Act of 2005, a Statement of Essential Facts  
24 shall be prepared by the issuing Board of Regents for the use and

1 information of prospective bond purchasers. It shall be the duty of  
2 the Oklahoma State Regents for Higher Education to examine such  
3 Statement of Essential Facts and determine that, based upon such  
4 facts and projections, the projected revenue will satisfy the  
5 financial obligation to be incurred under the proposed bond issue.  
6 If the facts are found by the State Regents to be substantially  
7 accurate and if the State Regents find that, based upon such facts  
8 and projections, the projected revenue will satisfy the financial  
9 obligation to be incurred under the proposed bond issue, then the  
10 Oklahoma State Regents for Higher Education shall certify such to  
11 the Governor, the Speaker of the ~~Oklahoma~~ House of Representatives,  
12 and the President Pro Tempore of the ~~Oklahoma State~~ Senate. The  
13 certificate shall be made in substantially the following form:

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

17       ~~E.~~ F. All obligations except refunding or defeasance  
18 obligations proposed to be issued by an authorized issuer pursuant  
19 to the Oklahoma Higher Education Promise of Excellence Act of 2005  
20 shall be subject to final approval by the Legislature as provided by  
21 this subsection. The authorized issuer shall communicate the  
22 proposed projects and the terms of the financing to the Governor,  
23 the Speaker of the House of Representatives, and the President Pro  
24 Tempore of the ~~State~~ Senate prior to the time any such obligations

1 are sold. The communication required by this subsection shall be  
2 made not later than April 1 each year. The communication to such  
3 elected officials shall occur upon the same date for purposes of  
4 computing the time within which action must be taken as further  
5 prescribed by this subsection. The Legislature shall have a period  
6 of forty-five calendar days from the date as of which the  
7 information is communicated to the presiding officers of both  
8 chambers in order to pass a Concurrent Resolution disapproving the  
9 proposed issuance. If the Concurrent Resolution has not received a  
10 majority of votes of those elected to and constituting both the  
11 ~~Oklahoma~~ House of Representatives and the ~~Oklahoma State~~ Senate by  
12 the end of the forty-fifth day following the date upon which the  
13 proposed issuance is communicated to the presiding officers of both  
14 chambers, the proposed issuance shall be deemed to have been  
15 approved by the Legislature.

16 ~~F.~~ G. With the approval of the Oklahoma State Regents for  
17 Higher Education, the total revenues described by subsection B and  
18 subsection C of this section may be pledged to the repayment of  
19 obligations issued by either the Board of Regents of the University  
20 of Oklahoma or obligations issued by the Board of Regents for the  
21 Oklahoma Agricultural and Mechanical Colleges in order to obtain the  
22 highest possible credit rating. If the Board of Regents of the  
23 University of Oklahoma and the Board of Regents for the Oklahoma  
24 Agricultural and Mechanical Colleges agree to the use of the total

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

19 ~~G.~~ H. The Oklahoma State Regents for Higher Education may  
20 pledge all lawfully available revenues, other than revenues  
21 appropriated by the Legislature from tax receipts, but inclusive of  
22 revenues derived from the Oklahoma Education Lottery Act, and other  
23 than the revenues described by subsection B ~~or subsection~~, C, or D

24

1 of this section, to the repayment of obligations issued by the State  
2 Regents.

3 ~~H.~~ I. The authorized issuers shall be subject to the following  
4 restrictions governing the issuance of the obligations authorized by  
5 ~~this act~~ the Oklahoma Higher Education Promise of Excellence Act of  
6 2005:

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

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

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

- 17 a. equipment with an original cost of less than One
- 18 Hundred Thousand Dollars (\$100,000.00) <sup>7</sup> per item, and
- 19 b. renovation of existing structures, unless the cost of
- 20 the renovation exceeds the fair market value of the
- 21 existing structure or unless the improvement extends
- 22 the useful life of the existing structure, but in no
- 23 case shall the maturity period exceed the period by
- 24

1                   which the life of the existing structure is extended;

2                   and

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

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

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

12 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS  
13 February 16, 2022 - DO PASS AS AMENDED  
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