

An Act

ENROLLED SENATE
BILL NO. 550

By: Seifried of the Senate

and

Moore and Deck of the House

An Act relating to higher education; amending 70 O.S. 2021, Section 4103, which relates to accreditation of certain institutions; directing certain policies and procedures to include certain provisions; providing for promulgation of rules; creating the Tuition Recovery Revolving Fund; specifying source of fund; providing for expenditures; providing purpose of fund; providing for codification; providing an effective date; and declaring an emergency.

SUBJECT: Higher education

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

SECTION 1. AMENDATORY 70 O.S. 2021, Section 4103, is amended to read as follows:

Section 4103. A. As used in this section:

1. "Degree-granting institution" means an institution that offers education leading to an associate's degree or higher;
2. "Non-degree-granting activity" means offering education or training that does not lead to an associate's degree or higher; and
3. "State authorization reciprocity agreement" means an agreement among states, districts, and territories that establishes

comparable standards for providing distance education from their postsecondary educational institutions to out-of-state students.

B. All private and out-of-state public degree-granting institutions shall be accredited by ~~a national or regional~~ an accrediting agency which is recognized by the Secretary of the United States Department of Education as a reliable authority as to the quality of education or training offered by institutions of higher education for the purposes of the Higher Education Act of 1965, as amended. Additionally, for the purposes of consumer protection and to maintain financial eligibility for Title IV funding as described in 34 CFR Part 600, institutions shall be authorized according to the policies and procedures established by the Oklahoma State Regents for Higher Education. These policies and procedures shall be limited to ~~a complaint process provision, standards for operation, stipulations for a written enrollment agreement between the institution and the student and reporting requirements~~ the minimum necessary to ensure that private and out-of-state degree-granting institutions that operate in this state by any modality meet the same standards of academic quality and fiscal responsibility required for institutions of higher education within The Oklahoma State System of Higher Education. Beginning with the 2023-2024 academic year, the State Regents shall:

1. Establish and collect fees annually from applicants for authorization as necessary to cover the costs of authorization;

2. Require applicants for authorization to submit payment in an amount established by the State Regents into the Tuition Recovery Revolving Fund created in Section 2 of this act, which shall be used to offset student tuition losses in the event an authorized institution closes or ceases operations; and

3. Be authorized to deny, not renew, or revoke an institution's authorization if it is found to be in violation of the Oklahoma statutes, it fails to meet the minimum authorization standards established by the State Regents, or an accrediting agency or other government entity revokes its approval, which is material to the continuity of the institution. An institution subject to the provisions of this paragraph shall be given reasonable notice and an opportunity to be heard prior to a decision to deny, not renew, or revoke authorization.

C. The following institutions shall be exempt from this section:

1. Private institutions participating in the Oklahoma Tuition Equalization Grant program; and

2. Out-of-state public and private institutions participating in a state authorization reciprocity agreement that only conduct activities in Oklahoma that are acceptable under the terms and conditions of the state authorization reciprocity agreement.

~~E. D.~~ Non-exempt institutions engaged in non-degree granting activities, such as offering certificates and diplomas, shall be subject to the standards administered by the Oklahoma Board of Private Vocational Schools.

E. The State Regents shall promulgate rules to implement the provisions of this section.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 4103.1 of Title 70, unless there is created a duplication in numbering, reads as follows:

There is hereby created in the State Treasury a revolving fund for the Oklahoma State Regents for Higher Education to be designated the "Tuition Recovery Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all monies received by the State Regents from fees collected pursuant to Section 4103 of Title 70 of the Oklahoma Statutes. All monies accruing to the credit of the fund are hereby appropriated and may be budgeted and expended by the State Regents for the purpose of offsetting student tuition losses in the event that an institution authorized pursuant to Section 4103 of Title 70 of the Oklahoma Statutes closes or ceases operations. Expenditures from the fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of the Office of Management and Enterprise Services for approval and payment.

SECTION 3. This act shall become effective July 1, 2023.

SECTION 4. It being immediately necessary for the preservation of the public peace, health, or safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

Passed the Senate the 9th day of March, 2023.

Presiding Officer of the Senate

Passed the House of Representatives the 20th day of April, 2023.

Presiding Officer of the House
of Representatives

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____

Approved by the Governor of the State of Oklahoma this _____

day of _____, 20_____, at _____ o'clock _____ M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____