

1                   **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2                               STATE OF OKLAHOMA

3                               1st Session of the 59th Legislature (2023)

4   ENGROSSED SENATE  
5   BILL NO. 550

By: Seifried of the Senate

and

Moore of the House

6  
7  
8  
9       An Act relating to higher education; amending 70 O.S.  
10      2021, Section 4103, which relates to accreditation of  
11      certain institutions; directing certain policies and  
12      procedures to include certain provisions; providing  
13      for promulgation of rules; creating the Tuition  
14      Recovery Revolving Fund; specifying source of fund;  
15      providing for expenditures; providing purpose of  
16      fund; providing for codification; providing an  
17      effective date; and declaring an emergency.

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

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

21       Section 4103.   A.   As used in this section:

22       1.   "Degree-granting institution" means an institution that  
23      offers education leading to an associate's degree or higher;

24       2.   "Non-degree-granting activity" means offering education or  
training that does not lead to an associate's degree or higher; and

1        3. "State authorization reciprocity agreement" means an  
2 agreement among states, districts, and territories that establishes  
3 comparable standards for providing distance education from their  
4 postsecondary educational institutions to out-of-state students.

5        B. All private and out-of-state public degree-granting  
6 institutions shall be accredited by ~~a national or regional~~ an  
7 accrediting agency which is recognized by the Secretary of the  
8 United States Department of Education as a reliable authority as to  
9 the quality of education or training offered by institutions of  
10 higher education for the purposes of the Higher Education Act of  
11 1965, as amended. Additionally, for the purposes of consumer  
12 protection and to maintain financial eligibility for Title IV  
13 funding as described in 34 CFR Part 600, institutions shall be  
14 authorized according to the policies and procedures established by  
15 the Oklahoma State Regents for Higher Education. These policies and  
16 procedures shall be limited to ~~a complaint process provision,~~  
17 ~~standards for operation, stipulations for a written enrollment~~  
18 ~~agreement between the institution and the student and reporting~~  
19 ~~requirements~~ the minimum necessary to ensure that private and out-  
20 of-state degree-granting institutions that operate in this state by  
21 any modality meet the same standards of academic quality and fiscal  
22 responsibility required for institutions of higher education within  
23 The Oklahoma State System of Higher Education. Beginning with the  
24 2023-2024 academic year, the State Regents shall:

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

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

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

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

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

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

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

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

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

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

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

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

6  
7 COMMITTEE REPORT BY: COMMITTEE ON HIGHER EDUCATION AND CAREER TECH,  
8 dated 04/10/2023 - DO PASS.  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24