

SENATE FLOOR VERSION

March 1, 2023

SENATE BILL NO. 550

By: Seifried of the Senate

and

Moore of the House

[higher education - accreditation - policies and
procedures - rules - Revolving Fund - expenditures -
codification - effective date -
emergency]

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.

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

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

23 2. Require applicants for authorization to submit payment in an
24 amount established by the State Regents into the Tuition Recovery

1 Revolving Fund created in Section 2 of this act, which shall be used
2 to offset student tuition losses in the event an authorized
3 institution closes or ceases operations; and

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

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

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

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

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

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

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

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

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

22 SECTION 4. It being immediately necessary for the preservation
23 of the public peace, health, or safety, an emergency is hereby
24

1 declared to exist, by reason whereof this act shall take effect and
2 be in full force from and after its passage and approval.

3 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS
4 March 1, 2023 - DO PASS
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24