

An Act

ENROLLED SENATE
BILL NO. 363

By: Jech of the Senate

and

Moore of the House

An Act relating to higher education; amending 70 O.S. 2021, Section 4103, as amended by Section 1, Chapter 122, O.S.L. 2023 (70 O.S. Supp. 2024, Section 4103), which relates to accreditation of private and certain out-of-state institutions; defining term; requiring certain institutions to be domiciled in certain locations; modifying policies and procedures related to accreditation; updating statutory reference; exempting certain institutions from accreditation; updating statutory language; amending 70 O.S. 2021, Section 4104, as amended by Section 1, Chapter 117, O.S.L. 2024 (70 O.S. Supp. 2024, Section 4104), which relates to degrees granted by private educational institutions; modifying exemption for certain religious degrees; updating statutory reference; 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, as amended by Section 1, Chapter 122, O.S.L. 2023 (70 O.S. Supp. 2024, 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. "Religious degree-granting institution" means an institution that is domiciled within the United States or a United States district or territory; is exempt from taxation pursuant to the provisions of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, 26 U.S.C., Section 501(c)(3); and offers education leading to an associate's degree or higher where the purpose, content, and name of all degrees offered by the institution meet the criteria set forth in paragraphs 1 and 2 of subsection B of Section 4104 of this title. By offering any degrees not meeting the criteria set forth in paragraphs 1 and 2 of subsection B of Section 4104 of this title, an institution fails to meet the definition of a religious degree-granting institution and remains subject to the requirements for degree-granting institutions in subsection B of this section as to those degrees; and

4. "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 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, and be domiciled within the United States or a United States district or territory. 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 ~~the minimum~~ those necessary to ensure that private and out-of-state degree-granting institutions that operate in this state by any modality meet the same standards and outcomes of academic quality, student consumer protection, and fiscal

responsibility required for comparable 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~~ Section 4103.1 of this ~~act~~ title, 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;

3. Religious degree-granting institutions; and

4. Degree-granting institutions offering in this state only degrees meeting the criteria set forth in paragraphs 1 and 2 of subsection B of Section 4104 of this title for the offering of religious degrees. This exemption shall not apply to any degree programs not meeting the criteria for religious degrees set forth in paragraphs 1 and 2 of subsection B of Section 4104 of this title.

D. Non-exempt institutions exclusively engaged in ~~non-degree granting~~ 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. AMENDATORY 70 O.S. 2021, Section 4104, as amended by Section 1, Chapter 117, O.S.L. 2024 (70 O.S. Supp. 2024, Section 4104), is amended to read as follows:

Section 4104. A. A private educational institution shall grant only those degrees authorized by the Oklahoma State Regents for Higher Education unless approved otherwise by a national or regional 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.

B. 1. This section shall not apply to religious degrees which are used solely for religious purposes within a religious organization or any institution of higher education whose primary sole purpose is to provide religious training or theological education and which is exempt from taxation pursuant to the provisions of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, 26 U.S.C., Section 501(c)(3).

2. Each degree title offered pursuant to this subsection shall include a religious modifier. The religious modifier shall be placed on the degree, on the transcript, and wherever the title of the degree appears in official school documents or publications.

SECTION 3. This act shall become effective July 1, 2025.

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 24th day of March, 2025.

Presiding Officer of the Senate

Passed the House of Representatives the 29th day of April, 2025.

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: _____