

**TITLE 610. STATE REGENTS FOR HIGHER EDUCATION
CHAPTER 25. STUDENT FINANCIAL AID AND SCHOLARSHIPS
SUBCHAPTER 39. OKLAHOMA NATIONAL GUARD EDUCATIONAL ASSISTANCE
PROGRAM**

RULE IMPACT STATEMENT

A. Brief description of the purpose of the proposed rule.

The proposed rules implement the Oklahoma National Guard Educational Assistance Program, which was created in 2022 with the passage of SB 1418. Subject to available funding, the bill authorizes educational benefits for eligible members of the Oklahoma National Guard equivalent to resident tuition, mandatory fees, and academic service fees, not to exceed 18 credit hours per semester at institutions in the Oklahoma State System of Higher Education. In addition to a maximum of 120 credit hours of undergraduate coursework, the bill authorizes benefits for eligible Guard members for up to 40 credit hours of graduate coursework toward a master's degree.

SB 1418 also creates the new Oklahoma National Guard Educational Assistance Revolving Fund, a continuing fund not subject to fiscal year limitations consisting of state appropriations, from which the benefits are to be paid by the State Regents. For FY2023, the State Regents did not receive any state appropriations designated for the revolving fund.

In 1995, the State Regents created in policy the Oklahoma National Guard Tuition Waiver. The waiver covered resident tuition only; mandatory fees and academic service fees remained the responsibility of the Guard member. The tuition waiver was applicable only to associate and bachelor degree programs and was limited to 18 credit hours per semester. The policy required institutions to be financially responsible for the first 300 to 750 credit hours waived, depending on the size of the institution's undergraduate enrollment. The State Regents policy called for the institutions to be reimbursed for waiver costs above the minimum hours-waived requirement. In FY2022, the total tuition waiver costs were \$3.9 million, of which \$1.2 million was borne by the institutions and \$2.7 million was reimbursed by the State Regents from state appropriations.

The new Oklahoma National Guard Educational Assistance Program will replace the State Regents' Oklahoma National Guard Tuition Waiver program. Under the new Program, institutions will receive funding for 100% of the educational benefit costs.

B. Description of the classes of persons who most likely will be affected by the proposed rule, including classes that will bear the costs of the proposed rule, and any information on cost impacts received by the agency from any private or public entities.

The proposed rule changes will affect the Oklahoma State Regents for Higher Education, the institutions comprising the Oklahoma State System of Higher Education, members of the Oklahoma National Guard who enroll in an institution within the Oklahoma State System of Higher Education, the Oklahoma Military Department and the Oklahoma National Guard. Estimates by the State Regents and the Oklahoma National Guard indicate that total program costs may range up to \$12 million per year. As noted above, the legislation creating the program states that program costs will be paid from state funds appropriated by the Oklahoma Legislature and deposited into the program's revolving fund.

C. Description of the classes of persons who will benefit from the proposed rule.

The proposed rule changes will benefit the Oklahoma State Regents for Higher Education, the institutions comprising the Oklahoma State System of Higher Education, members of the Oklahoma National Guard who enroll in an institution within the Oklahoma State System of Higher Education, the Oklahoma Military Department and the Oklahoma National Guard.

D. Description of the probable economic impact of the proposed rule upon affected classes of persons or political subdivisions, including a listing of all fee changes and, whenever possible, a separate justification for each fee change.

The proposed rule changes should have positive economic impacts on the institutions comprising the Oklahoma State System of Higher Education and participating Guard students. Institutions comprising the Oklahoma State System of Higher Education should benefit from increased enrollment from students who are members of the Oklahoma National Guard. Participating Guard members should benefit through the receipt of scholarship awards. There are no fees involved.

E. Probable costs and benefits to the agency and to any other agency of the implementation and enforcement of the proposed rule, the source of revenue to be used for implementation and enforcement of the proposed rule, and any anticipated effect on state revenues, including a projected net loss or gain in such revenues if it can be projected by the agency.

The Military Department and the Oklahoma National Guard should benefit from an increase in members with scholarship awards serving as an incentive to join the Oklahoma National Guard. Scholarship awards consist of monies received by the Oklahoma State Regents for Higher Education from state appropriations made by the Oklahoma Legislature that are deposited in the Oklahoma National Guard Educational Assistance Revolving Fund. Estimates of program costs range up to \$12 million per year.

F. Determination of whether implementation of the proposed rule will have an economic impact on any political subdivisions or require their cooperation in implementing or enforcing the rule.

The proposed rules are not expected to have an economic impact on any political subdivisions.

G. Determination of whether implementation of the proposed rule will have an adverse economic effect on small business as provided by the Oklahoma Small Business Regulatory Flexibility Act.

After consideration with reference to Section 303(A)(4) and 303(B)(6) of Title 75, it is believed that the proposed rules will have no adverse impact upon Small Business.

H. Explanation of the measures the agency has taken to minimize compliance costs and a determination of whether there are less costly or non-regulatory methods or less intrusive methods for achieving the purpose of the proposed rule.

The Oklahoma State Regents for Higher Education and the Oklahoma National Guard are working together to minimize the administrative burden on colleges and universities within the Oklahoma State System of Higher Education in the distribution of the educational benefit to eligible Guard members.

I. Determination of the effect of the proposed rule on the public health, safety and environment and, if the proposed rule is designed to reduce significant risks to the public health, safety and environment, an explanation of the nature of the risk and to what extent the proposed rule will reduce the risk.

The proposed rules will have no effect on the public health, safety, and environment.

J. Determination of any detrimental effect on the public health, safety and environment if the proposed rule is not implemented.

No effect on the public health, safety, or the environment will result if the proposed rules are not implemented.

K. Date the rule impact statement was prepared and if modified, the date modified.

September 6, 2022.