

New Oklahoma Authorization Requirements Starting 2025

Oklahoma state administrative rules (Attachment A) that will establish the fee and student tuition revolving fund payment schedules required by Oklahoma Senate Bill 550 (2023) (Attachment B) and enacted as [70 O.S. § 4103](#) and [70 O.S. § 4103.1](#), are anticipated to be effective in July 2024 for all authorizations approved for the 2025-2026 academic year and after.

As a result, the following is anticipated to be in effect for the authorization cycle beginning in 2025 (authorization applications received in Spring 2025 for student enrollment beginning in Fall 2025):

- **Authorization will be required for online only distance education** from out-of-state institutions as well as that delivered through a physical presence.
- **Annual application and authorization fees will be charged.**
- **Private institutions (in and out-of-state) will be required to contribute annual payments to a tuition recovery fund.**

No fees or payment will be required for authorization **prior to the 2025** cycle. Fees and payments will **not** be charged to applicants for authorization **until 2025**. Institutions authorized prior to 2025 will not be grandfathered; all institutions applying for authorization or re-authorization to enroll students for Fall 2025 must make the required payments and comply with OSRHE policy in effect for 2025 authorizations.

New OSRHE policy is under development that is intended to clearly establish:

- Which institutions and activities do and do not require authorization.
- Circumstances that will trigger provisional authorization and revocation or non-renewal of authorization.
- Standards for operation designed to protect Oklahoma citizens from academic and financial loss in the event of a closure.
- Consistent and transparent processes for: obtaining and paying for authorization, re-authorization, and provisional authorization, appealing revocation or non-renewal of authorization, and closing Oklahoma locations or degree-granting activities in Oklahoma.
- Strengthen consumer protections relative to institutional marketing and recruiting in Oklahoma and requirements for institutional student complaint processes for Oklahoma students.

The new policy is anticipated to be finalized by summer 2024. The new policy will be published to the OSRHE website.

Questions

After the new policy is published, questions will be accepted at ok.stateauth@osrhe.edu. Because a large volume of questions is anticipated, they will be collated and answers provided in a FAQ format that will be emailed to a listserv of questioners later in 2024.

TITLE 610. STATE REGENTS FOR HIGHER EDUCATION
CHAPTER 10. ACADEMIC AFFAIRS
SUBCHAPTER 1. PRIVATE AND OUT-OF-STATE PUBLIC INSTITUTIONS

610:10-1-1. Purpose

The purpose of this policy is to protect Oklahoma citizens by ensuring that all (nonexempt) private and out-of-state public degree-granting institutions of higher education that operate in this state by any modality meet statutory and policy requirements regarding academic quality and fiscal responsibility.

610:10-1-2. Definitions

The following words and terms, when used in this Subchapter, shall have the following meaning, unless the context clearly indicates otherwise:

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

"Institution" means a private institution or out-of-state public institution.

"Non-degree granting activity" means offering post-secondary education or training that does not lead to an associate's degree or higher.

"Private institution" means a nonexempt educational institution which is controlled by a private individual(s) or by a nongovernmental agency, usually supported primarily by other than public funds, and operated by other than publicly elected or appointed officials. These institutions may be either for-profit or non-profit.

"OSRHE" means the Oklahoma State Regents for Higher Education.

"Out-of-state public institution" means any nonexempt public institution that is established, operated, and governed by another state or any of its political subdivisions.

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

610:10-1-3. Authorization according to OSRHE policies and procedures

All private and out-of-state public degree-granting institutions that operate in this state shall be authorized according to the policies and procedures established by OSRHE. *These policies and procedures shall be limited to 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.* [70 O.S. §4103(B)] OSRHE's policy on private institutions and out-of-state public institutions can be found in the Policy and Procedures Manual, Chapter 3: Academic Affairs located on OSRHE's website.

610:10-1-4. Fees for application and authorization

(a) Unauthorized nonexempt private and out-of-state public institutions shall pay an application and an initial authorization fee to be authorized to operate as a degree-granting institution in Oklahoma, as follows:

(1) Application fee: \$500

(2) Initial Authorization fee: \$2,500

(b) Authorized institutions shall pay annually an application and a re-authorization fee to be re-authorized to operate as a degree-granting institution in Oklahoma as follows:

(1) Application Fee: \$500

(2) Annual Re-authorization fee: \$2,000

(c) Out-of-state private institutions and out-of-state public institutions shall pay additional location fees to establish and operate one or more locations in Oklahoma for students to receive synchronous or asynchronous instruction. The fee shall be \$1,000 per location for both initial and annual re-authorization of the location.

- (d) Institutions applying for provisional re-authorization shall be assessed a non-refundable provisional application fee and provisional authorization fee in addition to the standard application fee and authorization fee. The provisional application fee shall be \$250 and the provisional authorization fee shall be \$1,000. Applications will not be reviewed until all required application fees have been received.
- (e) The collection and processing of fees shall be according to policies and procedures set by OSRHE.

610:10-1-5. Tuition Recovery Revolving Fund

- (a) Each private institution authorized by OSRHE to operate as a degree-granting institution in Oklahoma shall pay to OSRHE a sum annually to be maintained in the Tuition Recovery Revolving Fund. This payment is in addition to the application and authorization fees established in 610:10-1-4. The payment for initial authorization shall be \$2,500.
- (b) Each private institution authorized by OSRHE shall make payments to the Tuition Recovery Revolving Fund for annual re-authorization as follows:
- (1) Each private institution shall pay 0.25 percent (.0025) of its annual gross tuition revenue received from students living in Oklahoma at the time of their enrollment.
 - (2) A minimum payment of \$250 shall be due annually regardless of the private institution's enrollment or tuition revenue during the applicable year.
 - (3) Private institutions whose payment is not received by the due date will be subject to non-approval of authorization, provisional authorization or revocation of authorization according to the policies and procedures set by OSRHE.
 - (4) The Student Tuition Recovery Fund will be maintained between a minimum and maximum funding level to be determined by OSRHE.
 - (5) Institutions will be assessed annually until the maximum funding level is reached. If the Fund amount is reduced below the minimum funding level, assessments will begin again until the maximum level is regained. If the monies in the fund are insufficient to satisfy all duly authorized claims, OSRHE may reassess authorized institutions as necessary, in addition to the annual assessment, and the authorized institutions shall pay the additional amounts assessed.
- (c) The assessment, administration, and disbursement of funds from the Tuition Recovery Revolving Fund shall occur according to policies and procedures set by OSRHE.

610:10-1-6. Non-approval or revocation of authorization

- (a) Upon non-approval or revocation of authorization for an institution or an institution's location, the institution will be notified in writing; the notification will include the reasons for the revocation or non-approval.
- (b) Institutions that wish to appeal the revocation or non-approval must submit to the OSRHE office, within 20 calendar days of receipt of notification, written documentation detailing why they believe the revocation or non-renewal is not warranted by state statute or OSRHE policy. Upon receipt of the documentation, OSRHE staff will review it to determine whether the additional information demonstrates compliance with state statute and OSRHE policy. If it is determined that the response satisfactorily indicates full compliance, the application will be submitted to OSRHE at their next regularly scheduled meeting.
- (c) The schedule for the appeal process and how it affects the institution's implementation of closure will be determined and communicated to the institution on receipt and analysis of the appeal. During the period of time from receipt of the appeal documentation to final determination of compliance, the institution will retain whatever authorization status it held prior to the non-approval or revocation.
- (d) If it is determined that the appeal documentation does not demonstrate compliance with state statute and OSRHE policy, the institution will be notified of the determination in writing, including the reasons why, and the institution will begin or resume closure procedures according to the policies and procedures set by OSRHE.
- (e) Determination that the appeal documentation does not demonstrate compliance with state statute and OSRHE policy is final and no further appeal will be accepted.
- (f) Institutions whose authorization has been revoked or not approved may be considered again for authorization after reestablishing compliance with state statute and OSRHE policy.

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.

~~C.~~ 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.

Brent Howard
Presiding Officer of the Senate

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

[Signature]
Presiding Officer of the House
of Representatives

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this 24th
day of April, 20 23, at 4:12 o'clock 4^o P. M.
By: [Signature]

Approved by the Governor of the State of Oklahoma this 28th
day of April, 20 23, at 4:26 o'clock 4^o P. M.

[Signature]
Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this 28th
day of April, 20 23, at 5:32 o'clock P. M.
By: [Signature]