

Rule Impact Statement

Title 610. State Regents for Higher Education Chapter 25. Student Financial Aid and Scholarships Permanent Rules under OKLA. ADMIN. CODE

This Rule Impact Statement has been prepared pursuant to 75 O.S.Supp.2025, § 303(D).

I. Statement of need and legal basis

The proposed rules are necessary to comply with changes to 70 O.S. §§ 2403, 2404, 2405, 2406, and 2407 made by House Bills 1282 and 1096. These bills became effective on July 1, 2025.

II. Classification of the rule(s) and justification for classification.

Major rules. The estimated costs of awards will likely exceed \$1,000,000 over the initial five-year period following promulgation of the proposed rule. Award cost estimates are in Section VI below.

III. Description of the proposed rule(s).

The proposed rule revisions address the following issues to implement the changes created by House Bills 1282 and 1096:

Name Change

The rules change the name from the Academic Scholars Program to the Oklahoma Rising Scholars Award.

Award for Automatic Qualifiers

The rules increase the potential award amount for automatically qualifying students to receive no more than the average cost of attendance for up to five years of undergraduate and/or graduate study at an accredited public or private institution of higher education in Oklahoma.

Tuition Waivers

The rules require institutions within the Oklahoma State System of Higher Education to provide a tuition waiver not to exceed the average cost of tuition for automatic qualifiers.

National Norm-Referenced College Entrance Exam

The rules allow the Classic Learning Test (CLT) as an accepted exam for the Oklahoma Rising Scholars Award. The qualifying scores required for the program did not change. However, if the CLT exam is used, only scores from tests taken at an independently-run testing center operated by the CLT or any physical location where means of education are provided will qualify.

Federal Law

The rules are not mandated by federal law or a requirement for participation in, or implementation of, a federally subsidized or assisted program.

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

The proposed rule changes will affect the OSRHE, the institutions comprising the Oklahoma State System of Higher Education and students. These rule changes are not anticipated to create additional costs for affected classes. No information on cost impacts has been received from any private or public entities.

V. Description of the classes of persons who will benefit from the proposed rule(s).

The proposed rule changes will benefit OSRHE, the institutions comprising the Oklahoma State System of Higher Education and students.

VI. Comprehensive analysis of the rules' economic impact.

The total estimated additional cost of awards for a recommended \$700 award increase for all automatic qualifier cohorts each year over 5 years would be \$2,807,000. The reasons for the recommended increase in the scholarship award amount for automatic qualifiers include:

- A primary goal of this program is to keep Oklahoma's highest performing students in state for college, increasing the probability the students will remain in Oklahoma after graduation.
- House Bill 1282 increases the potential award amount for automatic qualifying students to receive no more than the average cost of attendance for up to five years of undergraduate and/or graduate study at an accredited public or private institution of higher education in Oklahoma. Subsequently, the Legislature increased the program's annual appropriation by \$2 million, bringing total funding for FY 2026 to \$9,155,862.

The number of freshman institutional nominee slots for 2026-2027 is recommended to remain unchanged from the 2025-2026 allocation.

VII. Detailed explanation of methodology and assumptions used to determine the economic impact.

The projections assume state funding for the program will remain stable at \$9.2 million for the next four fiscal years, FY2027 – FY2030.

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

A "political subdivision" is defined as "a county, city, incorporated town or school district within this state" under the Administrative Procedures Act. 75 O.S. § 250.3. The proposed rules are not expected to have an economic impact on any political subdivisions and will not require their cooperation for implementing or enforcing these rules.

IX. Determination of whether implementation of the proposed rule(s) may 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.

X. Measures taken to minimize the cost and impact of the proposed rule on business and economic development in this state, local government units of this state, and individuals.

The proposed rules are not anticipated to have an adverse cost or impact upon business and economic development in this state, local government units of this state, and individuals. Therefore, no such measures were taken.

XI. Determination of the effect of the proposed rule(s) on the public health, safety and environment and, if the proposed rule(s) is/are 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.

XII. Determination of any detrimental effect on the public health, safety and environment if the proposed rule(s) is/are not implemented.

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

XIII. Analysis of Alternatives to Adopting the Rule(s)

These proposed rules are necessary to comply with changes to 70 O.S. §§ 2403, 2404, 2405, 2406, and 2407 made by House Bills 1282 and 1096. Alternatives to adopting these rules would cause existing rules to be noncompliant with state statutes.

XIV. Estimated Time Spent by State Employees to Develop Rule and Other Resources Used in Developing Rule

Less than 7 hours.

XV. Summary and Preliminary Comparison of Any Existing or Proposed Federal Regulations Intended to Address the Activities to be Regulated by Proposed Administrative Rules

No existing or proposed federal regulations appear intended to address the activities regulated by the proposed administrative rules.

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

Prepared by the Oklahoma State Regents for Higher Education on October 14, 2025.