

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

These proposed rules are necessary to comply with the changes to 70 O.S. § 2632 made by House Bill 2888. This bill becomes effective on November 1, 2025.

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

Nonmajor rules. Annual implementation and compliance costs are not expected to be incurred or passed along because of promulgation of the proposed rules. Compliance costs will not exceed \$1,000,000 over the initial five-year period following promulgation of the proposed rules.

III. Description of the proposed rule(s).

In 2003, the Oklahoma Legislature enacted the Oklahoma Tuition Equalization Grant (OTEG) Act to provide grants to Oklahoma residents attending not-for-profit, independent institutions in Oklahoma. At that time, institutional eligibility was limited to institutions that were accredited by the Higher Learning Commission of the North Central Associations of Colleges and Schools. A statutory amendment enacted in the 2008 Oklahoma legislative session expanded the accreditation requirements to include institutions accredited by any national accrediting body recognized by the United States Department of Education. Recipients must have family incomes of no more than \$550,000. Grants of \$2,000 per academic year (\$1,000 per semester) can be awarded to students for up to five consecutive years of full-time undergraduate study. Funding was provided for the program to award students beginning in 2004-2005.

The Oklahoma legislature passed HB 2888 during the 2025 legislative session and the bill became law without the Governor's signature on May 8, 2025. The State Regents requested amendments to the OTEG statutes in HB 2888 to remove language directing our institutions to account for and report students' non-taxable income. This change aligns the program requirements with information that is collected on the new FAFSA form following passage of the FAFSA Simplification Act.

The federal FAFSA Simplification Act (Title VII, Division FF of P.L. 116-260) made significant changes to the underlying processes and methodologies for determining federal student aid eligibility. As originally enacted, the FAFSA Simplification Act (FSA) had a general effective date of July 1, 2023. In March 2022, the FAFSA Simplification Act Technical Corrections Act (FSATCA) was enacted as Division R of the Consolidated Appropriations Act, 2022 (P.L. 117-103). The law pushed the general effective date for the FSA back one year, to July 1, 2024, coinciding with the beginning of the 2024-2025 award year.

Federal Law

The rules are a requirement to maintain program consistency with changes to FAFSA, 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, parents 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, parents and students.

VI. Comprehensive analysis of the rules' economic impact.

The proposed rules should have a neutral economic impact and do not involve fee changes.

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

The proposed rules involve a minor change to eligibility criteria and streamline data collection. Therefore, no economic impact is expected.

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. § 2632 made by House Bill 2888. Alternatives to revoking these rules would cause existing rules to be misaligned with state statutes.

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

Less than 2 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**

The rules are a requirement to maintain program consistency with changes to FAFSA. The FAFSA Simplification Act does not address OTEG itself.

- 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.