

1 **SENATE FLOOR VERSION**

2 February 19, 2025

3 SENATE BILL NO. 363

By: Jech

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6 An Act relating to higher education; amending 70 O.S.
7 2021, Section 4103, as amended by Section 1, Chapter
8 122, O.S.L. 2023 (70 O.S. Supp. 2024, Section 4103),
9 which relates to accreditation of private and certain
10 out-of-state institutions; defining term; requiring
11 certain institutions to be domiciled in certain
12 locations; modifying policies and procedures related
13 to accreditation; updating statutory reference;
14 exempting certain institutions from accreditation;
15 updating statutory language; amending 70 O.S. 2021,
16 Section 4104, as amended by Section 1, Chapter 117,
17 O.S.L. 2024 (70 O.S. Supp. 2024, Section 4104), which
18 relates to degrees granted by private educational
19 institutions; modifying exemption for certain
20 religious degrees; updating statutory reference;
21 providing an effective date; and declaring an
22 emergency.

23 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

24 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;

1 2. "Non-degree-granting activity" means offering education or
2 training that does not lead to an associate's degree or higher; and

3 3. "Religious degree-granting institution" means an institution
4 that is domiciled within the United States or a United States
5 district or territory; is exempt from taxation pursuant to the
6 provisions of Section 501(c)(3) of the Internal Revenue Code of
7 1986, as amended, 26 U.S.C., Section 501(c)(3); and offers education
8 leading to an associate's degree or higher where the purpose,
9 content, and name of all degrees offered by the institution meet the
10 criteria set forth in paragraphs 1 and 2 of subsection B of Section
11 4104 of this title. By offering any degrees not meeting the
12 criteria set forth in paragraphs 1 and 2 of subsection B of Section
13 4104 of this title, an institution fails to meet the definition of a
14 religious degree-granting institution and remains subject to the
15 requirements for degree-granting institutions in subsection B of
16 this section as to those degrees; and

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

21 B. All private and out-of-state public degree-granting
22 institutions shall be accredited by an accrediting agency which is
23 recognized by the Secretary of the United States Department of
24 Education as a reliable authority as to the quality of education or

1 training offered by institutions of higher education for the
2 purposes of the Higher Education Act of 1965, as amended, and be
3 domiciled within the United States or a United States district or
4 territory. Additionally, for the purposes of consumer protection
5 and to maintain financial eligibility for Title IV funding as
6 described in 34 CFR Part 600, institutions shall be authorized
7 according to the policies and procedures established by the Oklahoma
8 State Regents for Higher Education. These policies and procedures
9 shall be limited to ~~the minimum~~ those necessary to ensure that
10 private and out-of-state degree-granting institutions that operate
11 in this state by any modality meet the same standards and outcomes
12 of academic quality, student consumer protection, and fiscal
13 responsibility required for comparable institutions of higher
14 education within The Oklahoma State System of Higher Education.
15 Beginning with the 2023-2024 academic year, the State Regents shall:
16 1. Establish and collect fees annually from applicants for
17 authorization as necessary to cover the costs of authorization;
18 2. Require applicants for authorization to submit payment in an
19 amount established by the State Regents into the Tuition Recovery
20 Revolving Fund created in ~~Section 2~~ Section 4103.1 of this ~~act~~
21 title, which shall be used to offset student tuition losses in the
22 event an authorized institution closes or ceases operations; and
23 3. Be authorized to deny, not renew, or revoke an institution's
24 authorization if it is found to be in violation of the Oklahoma

1 statutes, it fails to meet the minimum authorization standards
2 established by the State Regents, or an accrediting agency or other
3 government entity revokes its approval, which is material to the
4 continuity of the institution. An institution subject to the
5 provisions of this paragraph shall be given reasonable notice and an
6 opportunity to be heard prior to a decision to deny, not renew, or
7 revoke authorization.

8 C. The following institutions shall be exempt from this
9 section:

10 1. Private institutions participating in the Oklahoma Tuition
11 Equalization Grant program; ~~and~~

12 2. Out-of-state public and private institutions participating
13 in a state authorization reciprocity agreement that only conduct
14 activities in Oklahoma that are acceptable under the terms and
15 conditions of the state authorization reciprocity agreement;

16 3. Religious degree-granting institutions; and

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

23 D. Non-exempt institutions exclusively engaged in ~~non-degree~~
24 ~~granting~~ non-degree-granting activities, such as offering

1 certificates and diplomas, shall be subject to the standards
2 administered by the Oklahoma Board of Private Vocational Schools.

3 E. The State Regents shall promulgate rules to implement the
4 provisions of this section.

5 SECTION 2. AMENDATORY 70 O.S. 2021, Section 4104, as
6 amended by Section 1, Chapter 117, O.S.L. 2024 (70 O.S. Supp. 2024,
7 Section 4104), is amended to read as follows:

8 Section 4104. A. A private educational institution shall grant
9 only those degrees authorized by the Oklahoma State Regents for
10 Higher Education unless approved otherwise by a national or regional
11 accrediting agency which is recognized by the Secretary of the
12 United States Department of Education as a reliable authority as to
13 the quality of education or training offered by institutions of
14 higher education for the purposes of the Higher Education Act of
15 1965, as amended.

16 B. 1. This section shall not apply to religious degrees which
17 are used solely for religious purposes within a religious
18 organization or any institution of higher education whose ~~primary~~
19 sole purpose is to provide religious training or theological
20 education and which is exempt from taxation pursuant to the
21 provisions of Section 501(c)(3) of the Internal Revenue Code of
22 1986, as amended, 26 U.S.C., Section 501(c)(3).

23 2. Each degree title offered pursuant to this subsection shall
24 include a religious modifier. The religious modifier shall be

1 placed on the degree, on the transcript, and wherever the title of
2 the degree appears in official school documents or publications.

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

4 SECTION 4. It being immediately necessary for the preservation
5 of the public peace, health, or safety, an emergency is hereby
6 declared to exist, by reason whereof this act shall take effect and
7 be in full force from and after its passage and approval.

8 COMMITTEE REPORT BY: COMMITTEE ON EDUCATION
9 February 19, 2025 - DO PASS

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