

A BILL TO BE ENTITLED

AN ACT

relating to the accreditation of public institutions of higher education; providing a private cause of action.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 51, Education Code, is amended by adding Subchapter G-1 to read as follows:

SUBCHAPTER G-1. ACCREDITATION OF INSTITUTIONS OF HIGHER EDUCATION

Sec. 51.371. DEFINITIONS. In this subchapter:

(1) "Accrediting agency" means any organization, association, or other entity that accredits postsecondary educational institutions.

(2) "Commission" means the Texas Higher Education Accreditation Commission established by this subchapter.

(3) "Institution of higher education" has the meaning assigned by Section 61.003.

Sec. 51.372. TEXAS HIGHER EDUCATION ACCREDITATION COMMISSION. (a) The commission is an independent state agency directly accountable to the governor.

(b) The commission is composed of nine members of the public appointed as follows:

(1) three members appointed by the governor;

(2) three members appointed by the lieutenant governor; and

(3) three members appointed by the speaker of the

1 house of representatives.

2 (c) At least two of the three commission members appointed
3 under Subsections (b)(1), (b)(2), and (b)(3) must be an employer or
4 representative of an association of employers in a target
5 occupations field, as determined by the Texas Workforce Commission.

6 Sec. 51.373. APPROVAL AND REVIEW OF ACCREDITING AGENCIES.

7 (a) The commission shall identify and approve at least three
8 accrediting agencies best suited to serve as accreditors for
9 institutions of higher education.

10 (b) The commission shall conduct a biennial evaluation of
11 approved accrediting agencies. The evaluation must rate each
12 agency as unsatisfactory, satisfactory, or exemplary based on
13 evaluation standards established by the commission. The commission
14 shall publish the evaluation standards in a manner that is easily
15 accessible to the general public.

16 (c) The commission's evaluation of each approved
17 accrediting agency must include an assessment of:

18 (1) educational and labor market outcomes for students
19 attending an institution accredited by the agency, including:

20 (A) the percentage of students who return to the
21 accredited institution after completing their first year of study;

22 (B) degree or credential completion and
23 graduation rates;

24 (C) the percentage of institution graduates
25 employed in a field related to the credential or degree received
26 within one year of graduation, to the extent that data is available;

27 (D) the median student loan debt among borrowers

1 attending the institution;

2 (E) the percentage of students at each accredited
3 institution who fully repay their student loans within the standard
4 10-year repayment period; and

5 (F) the median earnings of institution graduates
6 expressed as a yearly amount and as a percentage of median student
7 debt among borrowers, as reported by the U.S. Department of
8 Education's College Scorecard or successor tool; and

9 (2) whether the agency takes or considers taking
10 action with respect to an institution's accreditation in a manner
11 that would hinder or interfere with the authority of the
12 institution's governing board and the institution's accountability
13 to the legislature.

14 (d) Not later than November 1 of each even-numbered year,
15 the commission shall submit a report of the evaluation made under
16 this section to the governor, lieutenant governor, speaker of the
17 house of representatives, Legislative Budget Board, and chairs of
18 the standing committees of each house of the legislature with
19 primary jurisdiction over higher education. The report must
20 include a ranking of the performance of approved accrediting
21 agencies and information on any accrediting agency the commission
22 determines should no longer be approved due to poor performance.

23 Sec. 51.374. ACCREDITATION OF INSTITUTIONS OF HIGHER
24 EDUCATION. (a) Each institution of higher education shall, at the
25 institution's expense, seek accreditation by an accrediting agency
26 approved by the commission with a performance rating of
27 satisfactory or higher.

1 (b) An institution of higher education accredited by an
2 accrediting agency that receives an unsatisfactory performance
3 rating from the commission shall, at the institution's expense,
4 obtain accreditation from a different approved accrediting agency
5 with at least a satisfactory performance rating as of the date the
6 institution's current accreditation expires.

7 (c) An institution of higher education accredited by an
8 accrediting agency with a satisfactory performance rating shall, at
9 the institution's expense, obtain accreditation from a different
10 approved accrediting agency at the institution's next
11 accreditation renewal date after 15 years have elapsed from the
12 date of the institution's current accreditation.

13 (d) An institution of higher education accredited by an
14 accrediting agency with an exemplary performance rating shall, at
15 the institution's expense, obtain accreditation from a different
16 approved accrediting agency at the institution's next
17 accreditation renewal date after 20 years have elapsed from the
18 date of the institution's current accreditation.

19 (e) Notwithstanding any other law, an institution of higher
20 education may not receive any state funding for a state fiscal year
21 following a state fiscal year in which the coordinating board
22 determines that the institution has not substantially complied with
23 the requirements of this section.

24 Sec. 51.375. CAUSE OF ACTION. An institution of higher
25 education that is adversely impacted by retaliatory action taken
26 against the institution by an accrediting agency may bring an
27 action against the accrediting agency in a court of competent

1 jurisdiction and may be awarded liquidated damages up to the amount
2 of federal financial aid received by the institution in the most
3 recent academic year, court costs, and reasonable attorney's fees.

4 SECTION 2. (a) As soon as practicable after the effective
5 date of this Act, the governor, lieutenant governor, and speaker of
6 the house of representatives shall appoint the members to the Texas
7 Higher Education Accreditation Commission as provided by Section
8 51.372, Education Code, as added by this Act.

9 (b) The Texas Higher Education Accreditation Commission
10 established under Subchapter G-1, Chapter 51, Education Code, as
11 added by this Act, shall identify and approve accrediting agencies
12 as required by Section 51.373(a), Education Code, as added by this
13 Act, not later than September 1, 2024.

14 SECTION 3. This Act takes effect September 1, 2023.