88R9196 CXP-F

By:  Middleton, Creighton S.B. No. 2335

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 house of representatives.

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

Sec. 51.373.  APPROVAL AND REVIEW OF ACCREDITING AGENCIES. (a) The commission shall identify and approve at least three accrediting agencies best suited to serve as accreditors for institutions of higher education.

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

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

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

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

(B)  degree or credential completion and graduation rates;

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

(D)  the median student loan debt among borrowers attending the institution;

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

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

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

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

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

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

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

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

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

Sec. 51.375.  CAUSE OF ACTION. An institution of higher education that is adversely impacted by retaliatory action taken against the institution by an accrediting agency may bring an action against the accrediting agency in a court of competent jurisdiction and may be awarded liquidated damages up to the amount of federal financial aid received by the institution in the most recent academic year, court costs, and reasonable attorney's fees.

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

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

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