

1-1 By: Middleton, Creighton S.B. No. 2335
 1-2 (In the Senate - Filed March 10, 2023; March 23, 2023, read
 1-3 first time and referred to Subcommittee on Higher Education;
 1-4 April 24, 2023, reported adversely, with favorable Committee
 1-5 Substitute from Committee on Education by the following vote:
 1-6 Yeas 11, Nays 1; April 24, 2023, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12			X	
1-13	X			
1-14	X			
1-15	X			
1-16		X		
1-17	X			
1-18	X			
1-19	X			
1-20	X			
1-21	X			

1-22 COMMITTEE SUBSTITUTE FOR S.B. No. 2335 By: Middleton

1-23 A BILL TO BE ENTITLED
 1-24 AN ACT

1-25 relating to the accreditation of public institutions of higher
 1-26 education.

1-27 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-28 SECTION 1. Chapter 51, Education Code, is amended by adding
 1-29 Subchapter G-1 to read as follows:

1-30 SUBCHAPTER G-1. ACCREDITATION OF INSTITUTIONS OF HIGHER EDUCATION

1-31 Sec. 51.371. DEFINITIONS. In this subchapter:

1-32 (1) "Accrediting agency" means any organization,
 1-33 association, or other entity that accredits postsecondary
 1-34 educational institutions.

1-35 (2) "Commission" means the Texas Higher Education
 1-36 Accreditation Commission established by this subchapter.

1-37 (3) "Coordinating board" means the Texas Higher
 1-38 Education Coordinating Board.

1-39 (4) "Institution of higher education" has the meaning
 1-40 assigned by Section 61.003.

1-41 Sec. 51.372. TEXAS HIGHER EDUCATION ACCREDITATION
 1-42 COMMISSION. (a) The commission is administratively attached to
 1-43 the coordinating board and directly accountable to the governor.

1-44 (b) The commission is composed of nine members of the public
 1-45 appointed as follows:

1-46 (1) three members appointed by the governor;

1-47 (2) three members appointed by the lieutenant
 1-48 governor; and

1-49 (3) three members appointed by the speaker of the
 1-50 house of representatives.

1-51 (c) Members serve four-year terms and may not be removed
 1-52 except by the person who appointed the member for wilful neglect of
 1-53 duty or malfeasance.

1-54 (d) The governor shall appoint one member of the commission
 1-55 as the presiding officer.

1-56 (e) The presiding officer shall:

1-57 (1) convene meetings of the commission; and

1-58 (2) coordinate and direct the activities of the
 1-59 commission.

1-60 (f) At least two of the three commission members appointed

2-1 under Subsections (b)(1), (b)(2), and (b)(3) must be an employer or
2-2 representative of an association of employers in a target
2-3 occupations field, as determined by the Texas Workforce Commission.

2-4 (g) A person may not serve on the commission if the person
2-5 was employed by an accreditor recognized by the United States
2-6 Department of Education at any time during the five years preceding
2-7 the date on which the person would be appointed to the commission.

2-8 (h) A member of the commission is not entitled to
2-9 compensation but is entitled to reimbursement for the travel
2-10 expenses incurred by the member while transacting commission
2-11 business, as provided by the General Appropriations Act.

2-12 (i) The commission is subject to Chapters 551, 552, and
2-13 2001, Government Code.

2-14 Sec. 51.373. APPROVAL AND REVIEW OF ACCREDITING AGENCIES.

2-15 (a) The commission shall identify and approve at least three
2-16 accrediting agencies best suited to serve as accreditors for
2-17 institutions of higher education.

2-18 (b) Subject to Subsections (c) and (d), the commission shall
2-19 conduct a biennial evaluation of approved accrediting agencies.
2-20 The evaluation must rate each agency as unsatisfactory,
2-21 satisfactory, or exemplary based on evaluation standards
2-22 established by the commission. The commission shall publish the
2-23 evaluation standards on a publicly accessible Internet website.

2-24 (c) If an institution of higher education seeks
2-25 accreditation from a recognized accrediting agency, as defined by
2-26 Section 61.003, that the commission has not reviewed, the
2-27 commission shall evaluate the accrediting agency under Subsection
2-28 (b) not later than the fifth anniversary of the date the institution
2-29 receives accreditation from the accrediting agency.

2-30 (d) If at the time the commission would be required to
2-31 conduct an evaluation of an accrediting agency under Subsection (b)
2-32 the commission does not have sufficient information to conduct the
2-33 evaluation, the commission shall conduct the evaluation of the
2-34 accrediting agency as soon as practicable after obtaining the
2-35 necessary information.

2-36 (e) The commission's evaluation of each approved
2-37 accrediting agency must include an assessment of:

2-38 (1) evidence demonstrating the agency's focus on
2-39 educational and labor market outcomes for students attending an
2-40 institution accredited by the agency, including:

2-41 (A) the percentage of students who return to the
2-42 accredited institution after completing their first year of study;

2-43 (B) degree or credential completion and
2-44 graduation rates;

2-45 (C) the percentage of institution graduates
2-46 employed in a field related to the credential or degree received
2-47 within one year of graduation, to the extent that data is available;

2-48 (D) the median student loan debt among borrowers
2-49 attending the institution;

2-50 (E) the percentage of students at each accredited
2-51 institution who fully repay their student loans within the standard
2-52 10-year repayment period; and

2-53 (F) the median earnings of institution graduates
2-54 expressed as a yearly amount and as a percentage of median student
2-55 debt among borrowers, as reported by the U.S. Department of
2-56 Education's College Scorecard or successor tool;

2-57 (2) evidence of whether the agency takes or considers
2-58 taking action with respect to an institution's accreditation in a
2-59 manner that would hinder or interfere with the authority of the
2-60 institution's governing board and the institution's accountability
2-61 to the legislature; and

2-62 (3) evidence of whether the agency has taken or
2-63 considered taking action with respect to an institution's
2-64 accreditation in this state or another state in a manner that would
2-65 hinder or interfere with the authority of the institution's
2-66 governing board or the institution's accountability to the
2-67 legislature of this state or another state.

2-68 (f) The commission may revoke the approval of an approved
2-69 accrediting agency if the commission determines based on an

3-1 evaluation under this section that the agency should no longer be
 3-2 approved.

3-3 (g) Not later than November 1 of each even-numbered year,
 3-4 the commission shall submit to the governor, lieutenant governor,
 3-5 speaker of the house of representatives, Legislative Budget Board,
 3-6 and chairs of the standing committees of each house of the
 3-7 legislature with primary jurisdiction over higher education and
 3-8 publish on a publicly accessible Internet website a report of the
 3-9 evaluation made under this section. The report must include a
 3-10 ranking of the performance of approved accrediting agencies and
 3-11 information on any accrediting agency the commission determines
 3-12 should no longer be approved due to poor performance.

3-13 Sec. 51.374. ACCREDITATION OF INSTITUTIONS OF HIGHER
 3-14 EDUCATION. (a) Each institution of higher education shall, at the
 3-15 institution's expense, seek accreditation by an accrediting agency
 3-16 approved by the commission with a performance rating of
 3-17 satisfactory or higher.

3-18 (b) An institution of higher education accredited by an
 3-19 accrediting agency that receives an unsatisfactory performance
 3-20 rating from the commission shall, at the institution's expense,
 3-21 obtain accreditation from a different approved accrediting agency
 3-22 with at least a satisfactory performance rating not later than the
 3-23 earlier of:

3-24 (1) the fifth anniversary of the date the agency
 3-25 receives the unsatisfactory performance rating; or

3-26 (2) a date determined by coordinating board rule.

3-27 (c) An institution of higher education accredited by an
 3-28 accrediting agency with a satisfactory performance rating shall, at
 3-29 the institution's expense, obtain accreditation from a different
 3-30 approved accrediting agency at the institution's next
 3-31 accreditation renewal date after 15 years have elapsed from the
 3-32 date of the institution's current accreditation.

3-33 (d) An institution of higher education accredited by an
 3-34 accrediting agency with an exemplary performance rating may
 3-35 continue to be accredited by that accrediting agency for as long as
 3-36 the agency maintains an exemplary performance rating. If as a
 3-37 result of an evaluation under Section 51.373 the commission assigns
 3-38 the agency a rating other than exemplary, the institution shall, at
 3-39 the institution's expense, obtain accreditation from a different
 3-40 approved accrediting agency not later than:

3-41 (1) if the agency receives a satisfactory performance
 3-42 rating, the 15th anniversary of the date the agency receives a
 3-43 satisfactory performance rating; or

3-44 (2) if the agency receives an unsatisfactory
 3-45 performance rating, the date described by Subsection (b).

3-46 Sec. 51.375. NOTICE OF NONCOMPLIANCE. (a) If the
 3-47 commission determines that an institution of higher education has
 3-48 failed to substantially comply with the requirements of Section
 3-49 51.374, the commission shall provide the institution with written
 3-50 notice of the institution's substantial noncompliance with that
 3-51 section.

3-52 (b) An institution of higher education that receives notice
 3-53 under Subsection (a) shall take corrective actions to comply with
 3-54 the requirements of Section 51.374 not later than the 180th day
 3-55 after the date of receipt of the notice. If the institution fails
 3-56 to substantially comply with the requirements of Section 51.374 by
 3-57 that date, the commission shall notify the comptroller of the
 3-58 institution's noncompliance.

3-59 (c) On receipt of notice under Subsection (b), the
 3-60 comptroller shall withhold all state funding from the noncompliant
 3-61 institution of higher education until the commission notifies the
 3-62 comptroller that the institution is substantially complying with
 3-63 the requirements of Section 51.374.

3-64 Sec. 51.376. RULES. The coordinating board shall adopt
 3-65 rules as necessary to implement this subchapter.

3-66 SECTION 2. (a) As soon as practicable after the effective
 3-67 date of this Act, the governor, lieutenant governor, and speaker of
 3-68 the house of representatives shall appoint the members to the Texas
 3-69 Higher Education Accreditation Commission as provided by Section

4-1 51.372, Education Code, as added by this Act.

4-2 (b) The Texas Higher Education Accreditation Commission
4-3 established under Subchapter G-1, Chapter 51, Education Code, as
4-4 added by this Act, shall identify and approve accrediting agencies
4-5 as required by Section 51.373(a), Education Code, as added by this
4-6 Act, not later than September 1, 2024.

4-7 SECTION 3. (a) In this section, "commission" means the
4-8 Texas Higher Education Accreditation Commission.

4-9 (b) Notwithstanding any other section of this Act, in a
4-10 state fiscal year, the commission is not required to implement a
4-11 provision found in another section of this Act that is drafted as a
4-12 mandatory provision imposing a duty on the commission to take an
4-13 action unless money is specifically appropriated to the Texas
4-14 Higher Education Coordinating Board for that fiscal year to carry
4-15 out that duty. The commission may implement the provision in that
4-16 fiscal year to the extent other funding is available to the
4-17 commission to do so.

4-18 (c) If, as authorized by Subsection (b) of this section, the
4-19 commission does not implement the mandatory provision in a state
4-20 fiscal year, the Texas Higher Education Coordinating Board, in its
4-21 legislative budget request for the next state fiscal biennium,
4-22 shall certify that fact to the Legislative Budget Board and include
4-23 a written estimate of the costs of implementing the provision in
4-24 each year of that next state fiscal biennium.

4-25 (d) This section and the suspension of the commission's duty
4-26 to implement a mandatory provision of this Act, as provided by
4-27 Subsection (b) of this section, expire and the duty to implement the
4-28 mandatory provision resumes on September 1, 2027.

4-29 SECTION 4. This Act takes effect September 1, 2023.

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