

BILL ANALYSIS

Senate Research Center
89R9188 CXP-F

S.B. 1322
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Education K-16
4/9/2025
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 1322 addresses concerns about the oversight, transparency, and accountability of accrediting agencies for public institutions of higher education in Texas. The bill aims to ensure that Texas colleges and universities are accredited by agencies that prioritize student outcomes, respect institutional governance, and align with the state's workforce and educational goals.

Current Law:

Currently, institutions of higher education in Texas independently select their accrediting agencies, typically from among those recognized by the U.S. Department of Education. However, the state has no formal mechanism for evaluating or approving these accreditors based on state-specific metrics or goals. This has led to concerns that some accreditors may impose requirements that conflict with institutional autonomy, legislative accountability, or Texas's workforce development priorities.

Proposed Changes:

S.B. 1322 establishes the Texas Higher Education Accreditation Commission (THEAC), an independent body composed of members appointed by state leadership and administratively attached to the Texas Higher Education Coordinating Board. The commission is tasked with:

- Approving at least three accrediting agencies best suited for Texas institutions.
- Evaluating these agencies every two years using specific performance metrics, including student outcomes like graduation rates, job placement, loan repayment, and debt-to-earnings ratios.
- Ranking accreditors and publicly reporting their performance.
- Requiring institutions to transition away from accreditors that receive unsatisfactory ratings.
- Mandating periodic reaccreditation from different agencies to promote accountability and avoid complacency.

Institutions failing to comply with accreditation rules set by the commission may have their state funding withheld until compliance is restored. The legislation also includes safeguards to ensure accreditors do not interfere with a school's governing board or state oversight.

How It Differs From Current Law:

Whereas current law offers broad discretion to institutions in selecting accreditors, this bill introduces a state-driven, performance-based framework. It shifts authority from federal-level recognition alone to include state evaluation and approval, tailored to Texas's priorities. It also introduces consequences for noncompliance and fosters more competitive accountability among accrediting agencies.

Overall, S.B. 1322 seeks to improve quality assurance in Texas higher education by creating a more transparent, outcome-driven accreditation process that reflects state values and priorities.

As proposed, S.B. 1322 amends current law relating to the accreditation of public institutions of higher education.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Higher Education Coordinating Board in SECTION 1 (Section 51.376, Education Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 51, Education Code, by adding Subchapter G-1, as follows:

SUBCHAPTER G-1. ACCREDITATION OF INSTITUTIONS OF HIGHER EDUCATION

Sec. 51.371. DEFINITIONS. Defines "accrediting agency," "commission," "coordinating board," and "institution of higher education."

Sec. 51.372. TEXAS HIGHER EDUCATION ACCREDITATION COMMISSION. (a) Provides that the Texas Higher Education Accreditation Commission established by this subchapter (commission) is administratively attached to the Texas Higher Education Coordinating Board (THECB) and directly accountable to the governor.

(b) Provides that 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) Provides that members serve four-year terms and are prohibited from being removed except by the person who appointed the member for wilful neglect of duty or malfeasance.

(d) Requires the governor to appoint one member of the commission as the presiding officer.

(e) Requires the presiding officer to convene meetings of the commission and coordinate and direct the activities of the commission.

(f) Requires at least two of the three commission members appointed under Subsections (b)(1), (2), and (3) to be employers or representatives of an association of employers in a target occupations field, as determined by the Texas Workforce Commission.

(g) Prohibits a person from serving on the commission if the person was employed by an accreditor recognized by the United States Department of Education at any time during the five years preceding the date on which the person would be appointed to the commission.

(h) Provides that a member of the commission is not entitled to compensation but is entitled to reimbursement for the travel expenses incurred by the member while transacting commission business, as provided by the General Appropriations Act.

(i) Provides that the commission is subject to Chapters 551 (Open Meetings), 552 (Public Information), and 2001 (Administrative Procedure), Government Code.

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

(b) Requires the commission, subject to Subsections (c) and (d), to conduct a biennial evaluation of approved accrediting agencies. Requires that the evaluation rate each agency as unsatisfactory, satisfactory, or exemplary based on evaluation standards established by the commission. Requires the commission to publish the evaluation standards on a publicly accessible Internet website.

(c) Requires the commission, if an institution of higher education seeks accreditation from a recognized accrediting agency, as defined by Section 61.003 (Definitions), that the commission has not reviewed, to evaluate the accrediting agency under Subsection (b) not later than the fifth anniversary of the date the institution receives accreditation from the accrediting agency.

(d) Requires the commission, if at the time the commission would be required to conduct an evaluation of an accrediting agency under Subsection (b) the commission does not have sufficient information to conduct the evaluation, to conduct the evaluation of the accrediting agency as soon as practicable after obtaining the necessary information.

(e) Requires the commission's evaluation of each approved accrediting agency to include an assessment of evidence demonstrating the agency's focus on educational and labor market outcomes for students attending an institution accredited by the agency, including certain metrics and evidence of 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.

(f) Authorizes the commission to revoke the approval of an approved accrediting agency if the commission determines based on an evaluation under this section that the agency should no longer be approved.

(g) Requires the commission, not later than November 1 of each even-numbered year, to submit to the governor, lieutenant governor, speaker of the house of representatives, Legislative Budget Board (LBB), and chairs of the standing committees of each house of the legislature with primary jurisdiction over higher education and publish on a publicly accessible Internet website a report of the evaluation made under this section. Requires that the report 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) Requires each institution of higher education to, at the institution's expense, seek accreditation by an accrediting agency approved by the commission with a performance rating of satisfactory or higher.

(b) Requires an institution of higher education accredited by an accrediting agency that receives an unsatisfactory performance rating from the commission to, at the institution's expense, obtain accreditation from a different approved accrediting agency with at least a satisfactory performance rating not later than the earlier of the fifth anniversary of the date the agency receives the unsatisfactory performance rating or a date determined by THECB rule.

(c) Requires an institution of higher education accredited by an accrediting agency with a satisfactory performance rating to, 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) Authorizes an institution of higher education accredited by an accrediting agency with an exemplary performance rating to continue to be accredited by that accrediting agency for as long as the agency maintains an exemplary performance rating. Requires the institution, if as a result of an evaluation under Section 51.373 the commission assigns the agency a rating other than exemplary, to, at the institution's expense, obtain accreditation from a different approved accrediting agency not later than the 15th anniversary of the date the agency receives a satisfactory performance rating, if the agency receives a satisfactory performance rating, or the date described by Subsection (b), if the agency receives an unsatisfactory performance rating.

Sec. 51.375. NOTICE OF NONCOMPLIANCE. (a) Requires the commission, if the commission determines that an institution of higher education has failed to substantially comply with the requirements of Section 51.374, to provide the institution with written notice of the institution's substantial noncompliance with that section.

(b) Requires an institution of higher education that receives notice under Subsection (a) to take corrective actions to comply with the requirements of Section 51.374 not later than the 180th day after the date of receipt of the notice. Requires the commission, if the institution fails to substantially comply with the requirements of Section 51.374 by that date, to notify the Comptroller of Public Accounts of the State of Texas (comptroller) of the institution's noncompliance.

(c) Requires the comptroller, on receipt of notice under Subsection (b), to withhold all state funding from the noncompliant institution of higher education until the commission notifies the comptroller that the institution is substantially complying with the requirements of Section 51.374.

Sec. 51.376. RULES. Requires THECB to adopt rules as necessary to implement this subchapter.

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

(b) Requires the commission established under Subchapter G-1, Chapter 51 (Provisions Generally Applicable to Higher Education), Education Code, as added by this Act, to identify and approve accrediting agencies as required by Section 51.373(a), Education Code, as added by this Act, not later than September 1, 2026.

SECTION 3. (a) Defines "commission."

(b) Provides that, notwithstanding any other section of this Act, in a state fiscal year, the commission is not required to implement a provision found in another section of this Act that is drafted as a mandatory provision imposing a duty on the commission to take an action unless money is specifically appropriated to THECB for that fiscal year to carry out that duty. Authorizes the commission to implement the provision in that fiscal year to the extent other funding is available to the commission to do so.

(c) Requires THECB, in its legislative budget request for the next state fiscal biennium, if as authorized by Subsection (b) of this section, the commission does not implement the mandatory provision in a state fiscal year, to certify that fact to the LBB and include a written estimate of the costs of implementing the provision in each year of that next state fiscal biennium.

(d) Provides that this section and the suspension of the commission's duty to implement a mandatory provision of this Act, as provided by Subsection (b) of this section, expire and the duty to implement the mandatory provision resumes on September 1, 2029.

SECTION 4. Effective date: September 1, 2025.