

119TH CONGRESS
1ST SESSION

H. R. 4054

To amend the Higher Education Act of 1965 to reform accreditation.

IN THE HOUSE OF REPRESENTATIVES

JUNE 20, 2025

Mr. FINE introduced the following bill; which was referred to the Committee on Education and Workforce

A BILL

To amend the Higher Education Act of 1965 to reform accreditation.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Accreditation Choice
5 and Innovation Act”.

6 **SEC. 2. ACCREDITING AGENCY RECOGNITION.**

7 (a) CRITERIA REQUIRED.—Section 496(a) of the
8 Higher Education Act of 1965 (20 U.S.C. 1099b(a)) is
9 amended—

1 (1) in the matter preceding paragraph (1), in
2 the first sentence, by striking “or training” and in-
3 serting “or skills development”;

4 (2) by amending paragraph (1) to read as fol-
5 lows:

6 “(1) the accrediting agency or association
7 (other than an accrediting agency or association de-
8 scribed in paragraph (2)(D)) shall be a State or na-
9 tional agency or association and shall demonstrate
10 the ability to operate as an institutional or pro-
11 grammatic accrediting agency or association within
12 the State or nationally, as appropriate;”;

13 (3) in paragraph (2)—

14 (A) in subparagraph (A)—

15 (i) in clause (i), by striking “prin-
16 cipal”; and

17 (ii) in clause (ii), by striking “its prin-
18 cipal” and inserting “a”; and

19 (B) in subparagraph (B), by striking “or”
20 at the end;

21 (C) in subparagraph (C), by inserting “or”
22 at the end; and

23 (D) by adding at the end the following:

24 “(D) is an entity (such as an industry-spe-
25 cific quality assurance entity) that has been—

1 “(i) determined by a State to be a re-
2 liable authority as to the quality of edu-
3 cation or skills development offered in such
4 State for the purposes of this Act; and

5 “(ii) designated (in accordance with
6 subsection (b)(1)) by such State as an ac-
7 crediting agency or association with re-
8 spect to such State for such purposes;”;

9 (4) in paragraph (3)—

10 (A) by amending subparagraph (A) to read
11 as follows:

12 “(A) subparagraph (A), (C), or (D) of
13 paragraph (2), then such agency or association
14 is—

15 “(i) distinctly incorporated or orga-
16 nized; and

17 “(ii) both administratively and finan-
18 cially separate from, and independent of,
19 any related, associated, or affiliated trade
20 association or membership organization, by
21 ensuring that—

22 “(I) the members of the board or
23 governing body of the accrediting
24 agency or association are not elected
25 or selected by the board or chief execu-

1 utive officer (or the representative of
2 such board or officer) of any related,
3 associated, or affiliated trade associa-
4 tion or membership organization;

5 “(II) among the membership of
6 the board or governing body of the ac-
7 crediting agency or association—

8 “(aa) if such board or body
9 is comprised of 5 or fewer mem-
10 bers, there is a minimum of one
11 member who is not also a mem-
12 ber of any related, associated, or
13 affiliated trade association or
14 membership organization (re-
15 ferred to in this subclause as a
16 ‘public member’) and who rep-
17 resents business; and

18 “(bb) if such board or body
19 is comprised of 6 or more mem-
20 bers, there is a minimum of 2
21 public members (at least one of
22 whom represents business) for
23 every 6 members;

24 “(III) guidelines are established
25 for such members to avoid conflicts of

1 interest, including specific guidelines
2 to ensure that no such member is an
3 employee of any institution accredited
4 by the agency or association or has a
5 financial interest in any such institu-
6 tion;

7 “(IV) dues to the accrediting
8 agency or association are paid sepa-
9 rately from any dues paid to any re-
10 lated, associated, or affiliated trade
11 association or membership organiza-
12 tion; and

13 “(V) the budget of the accred-
14 iting agency or association is devel-
15 oped, determined, and maintained by
16 the accrediting agency or association
17 without any review by, consultation
18 with, or approval by any related, asso-
19 ciated, or affiliated trade association
20 or membership organization;”;

21 (B) by striking “or” at the end of subpara-
22 graph (B); and

23 (C) by striking subparagraph (C);

24 (5) in paragraph (4)—

25 (A) in subparagraph (A)—

1 (i) by inserting “(in the manner de-
2 scribed in subparagraph (B))” after “reli-
3 gious missions”; and

4 (ii) by striking “and” at the end; and
5 (B) by striking subparagraph (B) and in-
6 serting the following:

7 “(B) such accrediting agency or associa-
8 tion consistently applies and enforces standards
9 that respect the stated religious mission of an
10 institution of higher education by—

11 “(i) basing decisions regarding accred-
12 itation and preaccreditation on the stand-
13 ards of accreditation of such agency or as-
14 sociation; and

15 “(ii) not using as a negative factor
16 the institution’s religious mission based
17 policies, decisions, and practices in the
18 areas covered by subparagraphs (B), (C),
19 (D), (E), and (F) of paragraph (5), except
20 that the agency or association may require
21 that the institution’s or a program of
22 study’s curricula include all core compo-
23 nents required by the agency or association
24 that are not inconsistent with the institu-
25 tion’s religious mission; and

1 “(C) such agency or association dem-
2 onstrates the ability to review, evaluate, and as-
3 sess the quality of any instruction delivery
4 model or method such agency or association has
5 or seeks to include within its scope of recogni-
6 tion, without giving preference to or differen-
7 tially treating (such as through separate stand-
8 ards, procedures, or policies) a particular in-
9 struction delivery model or method offered by
10 an institution or program, except that in a case
11 in which an instruction delivery model allows
12 for the separation of the student from the in-
13 structor, the agency or association requires the
14 institution to have processes through which the
15 institution establishes that the student who reg-
16 isters in a course or program with such an in-
17 struction delivery model is the same student
18 who participates in the course or program of
19 study (including, to the extent practicable, the
20 testing or other assessments required under the
21 course or program of study), completes the
22 course or program of study, and receives the
23 academic credit for such course or program of
24 study;” and

25 (6) in paragraph (5)—

1 (A) by amending subparagraph (A) to read
2 as follows:

3 “(A) success with respect to student
4 achievement outcomes in relation to the institu-
5 tion’s mission and to the programs the institu-
6 tion offers, or the mission of a specific degree,
7 certificate, or credential program, which may
8 include different standards for different institu-
9 tions or programs of study, and which shall in-
10 clude—

11 “(i) standards for consideration of
12 student success outcomes measures, includ-
13 ing—

14 “(I) a comparison of the total
15 price charged to students for a pro-
16 gram of study to the value-added
17 earnings of students who completed
18 such program (such as a comparison,
19 with respect to students who com-
20 pleted the program in the same award
21 year, of the median total price
22 charged to such students to the me-
23 dian value-added earnings of such stu-
24 dents);

25 “(II) completion rates;

1 “(III) retention rates; and

2 “(IV) loan repayment rates);

3 “(ii) standards for consideration of
4 learning outcomes measures (such as com-
5 petency attainment and licensing examina-
6 tion passage rates); and

7 “(iii) standards for consideration of
8 labor market outcomes measures (such as
9 employability measures, earnings gains, or
10 other similar approaches); and”;

11 (B) by amending subparagraph (I) to read
12 as follows:

13 “(I) record of student complaints received
14 by, or available to, the agency or association,
15 and a process for resolving complaints received
16 by the institution; and”;

17 (C) in the matter following subparagraph
18 (J), by striking “subparagraphs (A), (H), and
19 (J)” and inserting “subparagraph ((J))”.

20 (b) SECRETARIAL REQUIREMENTS AND AUTHOR-
21 ITY.—Subsection (b) of section 496 of the Higher Edu-
22 cation Act of 1965 (20 U.S.C. 1099b) is amended to read
23 as follows:

24 “(b) SECRETARIAL REQUIREMENTS AND AUTHOR-
25 ITY.—

1 “(1) STATE DESIGNATED ACCREDITING AGEN-
2 CY.—

3 “(A) APPROVAL OF STATE PLANS.—The
4 Secretary shall—

5 “(i) approve a State’s designation of
6 an entity as an accrediting agency or asso-
7 ciation for the purposes described in sub-
8 section (a)(2)(D) for a 5-year period, be-
9 ginning not later than 30 days after re-
10 ceipt of the plan from such State with re-
11 spect to such designation, if such plan in-
12 cludes each of the elements listed in sub-
13 paragraph (B);

14 “(ii) submit to the State and the au-
15 thorizing committees, and make publicly
16 available the Secretary’s response to the
17 State with respect to such plan, including
18 whether the plan includes each of the ele-
19 ments listed in subparagraph (B); and

20 “(iii) if a State’s designation of an en-
21 tity as an accrediting agency or association
22 is approved pursuant to this subparagraph,
23 publish in the Federal Register with a 30-
24 day public comment period—

1 “(I) the plan submitted by such
2 State with respect to such designa-
3 tion; and

4 “(II) the Secretary’s response to
5 such plan.

6 “(B) REQUIRED PLAN ELEMENTS.—The
7 required elements of a State plan submitted
8 under subparagraph (A) with respect to the
9 designation of an entity as an accrediting agen-
10 cy or association are as follows:

11 “(i) A description of the process the
12 State used to select the entity for such des-
13 ignation.

14 “(ii) A justification of the State’s de-
15 cision to select the entity for such designa-
16 tion.

17 “(iii) A description of any require-
18 ments (in addition to the requirements of
19 this section), that the State required the
20 entity to comply with as a condition of re-
21 ceiving and maintaining such designation,
22 including a requirement for the entity to
23 use, to the extent practicable during such
24 designation, the common terminology de-
25 veloped pursuant to paragraph (3).

1 “(iv) A copy of the standards, policies,
2 and procedures of the entity that the State
3 considered in selecting the entity for such
4 designation.

5 “(v) The State’s assessment of how
6 the standards for accreditation of the enti-
7 ty will be effective in meeting the require-
8 ments of subsection (a)(5).

9 “(vi) Evidence that at least one other
10 State has determined that such entity is a
11 reliable authority as to the quality of edu-
12 cation offered for the purposes of this Act.

13 “(vii) An assurance that the State will
14 comply with the monitoring requirements
15 described in subparagraph (C).

16 “(C) STATE MONITORING.—

17 “(i) IN GENERAL.—A State that has
18 designated an entity as an accrediting
19 agency or association for the purposes de-
20 scribed in subsection (a)(2)(D) shall sub-
21 mit to the Secretary, and to the State au-
22 thorizing entity, as appropriate, a report at
23 the end of the 5-year period for which the
24 entity has received such designation, which
25 shall include, with respect to each program

1 of study or institution that has been ac-
2 credited by such entity during such period,
3 and disaggregated by type of credential,
4 certification, or degree—

5 “(I) the number and percentage
6 of students who have successfully ob-
7 tained a postsecondary education cre-
8 dential, certification, or degree offered
9 by such program or institution;

10 “(II) the number and percentage
11 of students who were enrolled and did
12 not successfully obtain such a creden-
13 tial, certification, or degree within 150
14 percent of the program length; and

15 “(III) the results of the State’s
16 assessment described in subparagraph
17 (B)(v).

18 “(ii) COUNTING TRANSFER STU-
19 DENTS.—For purposes of clause (i)(I), a
20 student shall be counted as obtaining a
21 credential, certification, or degree offered
22 by a program of study or institution that
23 was accredited by the entity during the pe-
24 riod for which the report under this sub-
25 paragraph is being submitted, if the stu-

1 dent obtains such credential, certification,
2 or degree after transferring to another in-
3 stitution during such period.

4 “(2) AUTHORITY TO PROVIDE AN ACCELER-
5 ATED PATH TO RECOGNITION.—With respect to a
6 prospective accrediting agency or association that
7 submits to the Secretary an application for initial
8 recognition under this Act, the Secretary may pro-
9 vide such recognition to such agency or association
10 within 2 years after receipt of such application, if
11 such application—

12 “(A) demonstrates that the agency or asso-
13 ciation—

14 “(i) has at least one year of experi-
15 ence in making accreditation or
16 preaccreditation decisions; and

17 “(ii) has policies in place that meet all
18 the criteria under subsection (a) for rec-
19 ognition covering the range of the specific
20 degrees, certificates, institutions, and pro-
21 grams of study for which the agency or as-
22 sociation seeks such recognition; and

23 “(B) provides an assurance that if the
24 agency or association receives such recognition,
25 the agency or association will submit to the

1 Secretary monitoring reports regarding accredi-
2 tation or preaccreditation decisions, as appro-
3 priate.

4 “(3) DEVELOPMENT OF COMMON TERMINOLOGY.—Not later than 18 months after the date
5 of enactment of the Accreditation Choice and Inno-
6 vation Act, the Secretary shall—

8 “(A) convene a panel of experts to develop
9 common terminology for accrediting agencies or
10 associations to use in making accrediting deci-
11 sions with respect to programs of study and in-
12 stitutions, such as a common understanding of
13 monitoring, warning, show cause, and other rel-
14 evant statuses, as appropriate; and

15 “(B) publish the recommendations for such
16 common terminology in the Federal Register
17 with a 60-day public comment period.”.

18 (c) OPERATING PROCEDURES REQUIRED.—

19 (1) ON-SITE INSPECTIONS AND REVIEWS.—
20 Paragraph (1) of section 496(c) (20 U.S.C.
21 1099b(c)) is amended—

22 (A) by inserting “(which may vary based
23 on institutional risk consistent with policies pro-
24 mulgated by the agency or association to deter-
25 mine such risk and interval frequency as au-

1 thorized under subsection (p))” after “inter-
2 vals”; and

3 (B) by striking “, including those regard-
4 ing distance education”.

5 (2) MECHANISM TO IDENTIFY INSTITUTIONS
6 AND PROGRAMS EXPERIENCING DIFFICULTIES.—
7 Section 496(c) (20 U.S.C. 1099b(c)) is further
8 amended—

9 (A) by redesignating paragraphs (2)
10 through (9) as paragraphs (3) through (10), re-
11 spectively; and

12 (B) by inserting after paragraph (1) the
13 following:

14 “(2) develops a policy process to identify any
15 institution or program of study accredited by the
16 agency or association that is not meeting the stand-
17 ards for accreditation of the agency or association,
18 with a focus on the standards assessing an institu-
19 tion’s or program of study’s student success out-
20 comes described in subsection (a)(5)(A)(i), which
21 shall include—

22 “(A) not less than annually, evaluating the
23 extent to which such an identified institution or
24 program of study continues to be in compliance
25 with such standards or other indicators; and

1 “(B) as appropriate, requiring the institu-
2 tion or program of study to submit a plan, on
3 an annual basis, to the accrediting agency or
4 association to—

5 “(i) address and remedy performance
6 issues with respect to such compliance; and

7 “(ii) ensure that such plan is success-
8 fully implemented;”.

9 (3) PROCEDURES WITH RESPECT TO SUB-
10 STANTIVE CHANGES.—Paragraph (5) of section
11 496(c) (20 U.S.C. 1099b(c)) (as redesignated by
12 paragraph (2)(A)) is amended to read as follows:

13 “(5) establishes and applies or maintains poli-
14 cies to ensure that any substantive change of an in-
15 stitution described in subparagraph (B) after the
16 agency or association has granted the institution ac-
17 creditation or preaccreditation status does not ad-
18 versely affect the capacity of the institution to con-
19 tinue to meet the agency’s or association’s standards
20 for such accreditation or preaccreditation status,
21 which shall include policies that—

22 “(A) require the institution to obtain the
23 agency’s or association’s approval of the sub-
24 stantive change before the agency or association
25 includes the change in the scope of the institu-

1 tion’s accreditation or preaccreditation status;
2 and

3 “(B) define substantive change to in-
4 clude—

5 “(i) any change in the established
6 mission or objectives of the institution;

7 “(ii) any change in the legal status,
8 form of control, or ownership of the insti-
9 tution, including the acquisition or addition
10 of any other institution or new location
11 where more than 50 percent of a program
12 of study is offered;

13 “(iii) changing the credential level of-
14 fered by a program of study that was pre-
15 viously accredited by the agency or associa-
16 tion when the program of study offered a
17 different credential level; and

18 “(iv) the entering into a contract
19 under which another institution or an or-
20 ganization not eligible to participate in
21 programs under this title offers more than
22 25 percent but less than 50 percent of the
23 instruction of a program of study of the in-
24 stitution with such accreditation or
25 preaccreditation status;”.

1 (4) PUBLIC AVAILABILITY.—Section 496(c) (20
2 U.S.C. 1099b(c)) is further amended—

3 (A) in paragraph (8) (as redesignated by
4 paragraph (2)(A))—

5 (i) in the matter preceding subpara-
6 graph (A), by inserting “, on the agency’s
7 or association’s website,” after “public”;
8 and

9 (ii) in subparagraph (C), by inserting
10 before the semicolon at the end the fol-
11 lowing: “, and a summary of why such ac-
12 tion was taken or such placement was
13 made”;

14 (B) in paragraph (9) (as so redesignated),
15 by striking “and” at the end;

16 (C) in paragraph (10)(B) (as so redesi-
17 gnated), by striking the period at the end and in-
18 serting the following: “, including an assurance
19 that the institution does not deny a transfer of
20 credit based solely on the accreditation of the
21 institution at which the credit was earned;”;
22 and

23 (D) by adding at the end the following:

24 “(11) such agency or association shall make
25 publicly available, on the agency or association’s

1 website, a list of the institutions of higher education
2 or program of study accredited by such agency or
3 association, which includes, with respect to each
4 such institution or program of study—

5 “(A) the year accreditation was first grant-
6 ed;

7 “(B) the most recent date that accredita-
8 tion or reaccreditation was granted; and

9 “(C) the anticipated date of the institu-
10 tion’s next evaluation for reaccreditation;”.

11 (5) PROHIBITION ON ASSESSMENT OF ELECTED
12 OR APPOINTED OFFICIALS.—Section 496(c) (20
13 U.S.C. 1099b(c)) is further amended by adding at
14 the end the following:

15 “(12) confirms that the standards for accredita-
16 tion of the agency or association do not assess the
17 roles (including actions or statements) of elected and
18 appointed State and Federal officials and legislative
19 bodies; and”.

20 (6) PROHIBITION OF PRACTICES THAT RESULT
21 IN CREDENTIAL INFLATION.—Section 496(c) (20
22 U.S.C. 1099b(c)) is further amended by adding at
23 the end the following:

24 “(13) confirms that an institution’s or program
25 of study’s compliance with a standard for accredita-

1 tion of the agency or association does not require
2 the institution or program to take any action (such
3 as developing a new program of study) that would
4 result in a violation of any other such standard (in-
5 cluding the standards for consideration of student
6 success outcomes described in subsection (a)(5)(A)(i)
7 that relate to comparing the total price charged to
8 students for a program of study to the value-added
9 earnings of students who completed such pro-
10 gram).”.

11 (d) LIMITATION ON SCOPE OF CRITERIA.—Section
12 496 (20 U.S.C. 1099b) is further amended by amending
13 subsection (g) to read as follows:

14 “(g) LIMITATION ON SCOPE OF CRITERIA.—

15 “(1) IN GENERAL.—The Secretary shall not es-
16 tablish criteria for accrediting agencies or associa-
17 tions that are not required by this section.

18 “(2) INSTITUTIONAL ELIGIBILITY.—An institu-
19 tion of higher education shall meet the accreditation
20 requirements for certification as an institution of
21 higher education under section 102 and subpart 3 of
22 this part, if the institution is in compliance with the
23 standards of its accrediting agency or association
24 that assess the institution in accordance with sub-
25 section (a)(5), regardless of any additional standards

1 adopted by the agency or association for purposes
2 unrelated to participation in programs under this
3 title.”.

4 (e) CHANGE OF ACCREDITING AGENCY.—Section
5 496 (20 U.S.C. 1099b) is further amended by amending
6 subsection (h) to read as follows:

7 “(h) CHANGE OF ACCREDITING AGENCY OR ASSOCIA-
8 TION.—

9 “(1) IN GENERAL.—With respect to an institu-
10 tion or program of study that is not subject to a cov-
11 ered action and that seeks to change its accrediting
12 agency or association for a reason not related to any
13 such covered action (such as compliance with State
14 law)—

15 “(A) the Secretary shall recognize the ac-
16 creditation of such institution or program of
17 study while the institution or program is in the
18 process of changing its accrediting agency or
19 association as long as, not later than 10 days
20 before the start of such process, the institution
21 or program of study provides written notifica-
22 tion to the Secretary of such process; and

23 “(B) such institution or program may
24 make such a change without the approval of the
25 Secretary as long as, not later than 10 days

1 after the accreditation decision by the new ac-
2 crediting agency or association, the institution
3 or program and such new accrediting agency or
4 association, provide written notification to the
5 Secretary of the effective date of the accredita-
6 tion by such agency or association of such insti-
7 tution or program.

8 “(2) COVERED ACTION DEFINED.—For pur-
9 poses of this subsection, the term ‘covered action’
10 means one or more of the following, when used with
11 respect to an institution or program of study:

12 “(A) A pending or final action brought by
13 a State agency to suspend, revoke, withdraw, or
14 terminate the institution’s legal authority to
15 provide postsecondary education in the State.

16 “(B) A decision by a recognized accred-
17 iting agency or association to deny accreditation
18 or preaccreditation to the institution or pro-
19 gram of study.

20 “(C) A pending or final action brought by
21 a recognized accrediting agency or association
22 to suspend, revoke, withdraw, or terminate the
23 accreditation or preaccreditation of the institu-
24 tion or program of study.

1 “(D) Probation or an equivalent status im-
2 posed on the institution or program of study by
3 a recognized accrediting agency or association.

4 “(E) The institution is in the process of a
5 substantive change (as described in subsection
6 (c)(5)).”.

7 (f) DUAL ACCREDITATION RULE.—Section 496 (20
8 U.S.C. 1099b) is further amended by amending subsection
9 (i) to read as follows:

10 “(i) DUAL ACCREDITATION RULE.—

11 “(1) RECOGNITION BY SECRETARY.—The Sec-
12 retary shall recognize the accreditation of any other-
13 wise eligible institution of higher education if the in-
14 stitution of higher education is accredited, as an in-
15 stitution, by more than one accrediting agency or as-
16 sociation.

17 “(2) DESIGNATION BY INSTITUTION.—If the in-
18 stitution is accredited, as an institution, by more
19 than one accrediting agency or association, the insti-
20 tution—

21 “(A) shall designate which agency’s or as-
22 sociation’s accreditation shall be utilized in de-
23 termining the institution’s eligibility for partici-
24 pation in programs under this Act; and

1 “(B) may change this designation at the
2 end of the institution’s period of recognition.”.

3 (g) RELIGIOUS INSTITUTIONS RULE.—Section 496
4 (20 U.S.C. 1099b) is further amended by amending sub-
5 section (k) to read as follows:

6 “(k) RELIGIOUS INSTITUTION RULE.—

7 “(1) IN GENERAL.—Notwithstanding subsection
8 (j), the Secretary shall allow an institution that has
9 had its accreditation withdrawn, revoked, or other-
10 wise terminated, or has voluntarily withdrawn from
11 an accreditation agency, to remain certified as an in-
12 stitution of higher education under section 102 and
13 subpart 3 of this part for a period sufficient to allow
14 such institution to obtain alternative accreditation, if
15 the Secretary determines, in accordance with para-
16 graph (2), that such withdrawal, revocation, or ter-
17 mination—

18 “(A) is related to the religious mission or
19 affiliation of the institution; and

20 “(B) is not related to the accreditation cri-
21 teria provided for in this section.

22 “(2) ADMINISTRATIVE COMPLAINT FOR FAIL-
23 URE TO RESPECT RELIGIOUS MISSION.—

24 “(A) IN GENERAL.—

1 “(i) INSTITUTION.—If an institution
2 of higher education believes that an ad-
3 verse action of an accrediting agency or as-
4 sociation fails to respect the institution’s
5 religious mission in violation of subsection
6 (a)(4)(B), the institution—

7 “(I) may file a complaint with
8 the Secretary to review the adverse
9 action of the agency or association;
10 and

11 “(II) prior to filing such com-
12 plaint, shall notify the Secretary and
13 the agency or association of an intent
14 to file such complaint not later than
15 30 days after—

16 “(aa) receiving the adverse
17 action from the agency or asso-
18 ciation; or

19 “(bb) determining that dis-
20 cussions with or the processes of
21 the agency or association to rem-
22 edy the failure to respect the reli-
23 gious mission of the institution
24 will fail to result in the with-

1 drawal of the adverse action by
2 the agency or association.

3 “(ii) ACCREDITING AGENCY OR ASSO-
4 CIATION.—Upon notification of an intent
5 to file a complaint and through the dura-
6 tion of the complaint process under this
7 paragraph, the Secretary and the accred-
8 iting agency or association shall treat the
9 accreditation status of the institution of
10 higher education as if the adverse action
11 for which the institution is filing the com-
12 plaint had not been taken.

13 “(B) COMPLAINT.—Not later than 45 days
14 after providing notice of the intent to file a
15 complaint, the institution shall file the com-
16 plaint with the Secretary (and provide a copy to
17 the accrediting agency or association), which
18 shall include—

19 “(i) a description of the adverse ac-
20 tion;

21 “(ii) how the adverse action fails to
22 respect the institution’s religious mission
23 in violation of subsection (a)(4)(B); and

1 “(iii) any other information the insti-
2 tution determines relevant to the com-
3 plaint.

4 “(C) RESPONSE.—

5 “(i) IN GENERAL.—The accrediting
6 agency or association shall have 30 days
7 from the date the complaint is filed with
8 the Secretary to file with the Secretary
9 (and provide a copy to the institution) a
10 response to the complaint, which response
11 shall include—

12 “(I) how the adverse action is
13 based on a violation of the agency or
14 association’s standards for accredita-
15 tion; and

16 “(II) how the adverse action does
17 not fail to respect the religious mis-
18 sion of the institution and is in com-
19 pliance with subsection (a)(4)(B).

20 “(ii) BURDEN OF PROOF.—

21 “(I) IN GENERAL.—The accred-
22 iting agency or association shall bear
23 the burden of proving that the agency
24 or association has not taken the ad-
25 verse action as a result of the institu-

1 tion’s religious mission, and that the
2 action does not fail to respect the in-
3 stitution’s religious mission in viola-
4 tion of subsection (a)(4)(B), by show-
5 ing that the adverse action does not
6 impact the aspect of the religious mis-
7 sion claimed to be affected in the
8 complaint.

9 “(II) INSUFFICIENT PROOF.—

10 Any evidence that the adverse action
11 results from the application of a neu-
12 tral and generally applicable rule shall
13 be insufficient to prove that the action
14 does not fail to respect an institu-
15 tion’s religious mission.

16 “(D) ADDITIONAL INSTITUTION RE-
17 SPONSE.—

18 “(i) IN GENERAL.—The institution
19 shall have a 30-day period beginning on
20 the date on which the agency or associa-
21 tion’s response is filed with the Secretary
22 to file with the Secretary (and provide a
23 copy to the agency or association) a re-
24 sponse to any issues raised in the response
25 of the agency or association.

1 “(ii) WAIVER OF RIGHT TO RE-
2 SPOND.—An institution that does not file
3 such a response during the 30-day period
4 described in clause (i) shall be deemed to
5 have waived the institution’s right to re-
6 spond to the response of the agency or as-
7 sociation.

8 “(E) SECRETARIAL ACTION.—

9 “(i) IN GENERAL.—During the 30-day
10 period described in subparagraph (D)(i)—

11 “(I) the Secretary shall review
12 the materials to determine if the ac-
13 crediting agency or association has
14 met its burden of proof under sub-
15 paragraph (C)(ii)(I); or

16 “(II) in a case in which the Sec-
17 retary fails to conduct such review—

18 “(aa) the Secretary shall be
19 deemed as determining that the
20 adverse action fails to respect the
21 religious mission of the institu-
22 tion; and

23 “(bb) the accrediting agency
24 or association shall be required to
25 reverse the action immediately

1 and take no further action with
2 respect to such adverse action.

3 “(ii) REVIEW OF COMPLAINT.—In re-
4 viewing the complaint under clause (i)(I)—

5 “(I) the Secretary shall consider
6 the institution to be correct in the as-
7 sertion that the adverse action fails to
8 respect the institution’s religious mis-
9 sion and shall apply the burden of
10 proof described in subparagraph
11 (C)(ii)(I) with respect to the accred-
12 iting agency or association; and

13 “(II) if the Secretary determines
14 that the accrediting agency or associa-
15 tion fails to meet such burden of
16 proof—

17 “(aa) the Secretary shall no-
18 tify the institution and the agen-
19 cy or association that the agency
20 or association is not in compli-
21 ance with subsection (a)(4)(B),
22 and that such agency or associa-
23 tion shall carry out the require-
24 ments of item (bb) to be in com-

1 compliance with subsection (a)(4)(B);
2 and

3 “(bb) the agency or associa-
4 tion shall reverse the adverse ac-
5 tion immediately and take no fur-
6 ther action with respect to such
7 adverse action.

8 “(iii) FINAL DEPARTMENTAL AC-
9 TION.—The Secretary’s determination
10 under this subparagraph shall be the final
11 action of the Department on the complaint.

12 “(F) RULE OF CONSTRUCTION.—Nothing
13 in this paragraph shall prohibit—

14 “(i) an accrediting agency or associa-
15 tion from taking an adverse action against
16 an institution of higher education for a
17 failure to comply with the agency or asso-
18 ciation’s standards of accreditation as long
19 as such standards are in compliance with
20 subsection (a)(4)(B) and any other appli-
21 cable requirements of this section; or

22 “(ii) an institution of higher education
23 from exercising any other rights to address
24 concerns with respect to an accrediting
25 agency or association or the accreditation

1 process of an accrediting agency or asso-
2 ciation.

3 “(G) REGULATIONS AND GUIDANCE.—

4 “(i) IN GENERAL.—The Secretary
5 may only issue regulations and guidance
6 under this paragraph that explain or clar-
7 ify the process for providing notice of an
8 intent to file a complaint or for filing a
9 complaint under this paragraph.

10 “(ii) CLARIFICATION.—The Secretary
11 may not issue regulations, guidance, or
12 otherwise determine or suggest, when dis-
13 cussions to remedy the failure by an ac-
14 crediting agency or association to respect
15 the religious mission of an institution of
16 higher education referred to in subpara-
17 graph (A)(i)(II)(bb) have failed or will
18 fail.”.

19 (h) INDEPENDENT EVALUATION.—Section 496(n)(3)
20 (20 U.S.C. 1099b(n)(3)) is amended by striking the last
21 sentence.

22 (i) REGULATIONS.—Section 496(o) (20 U.S.C.
23 1099b(o)) is amended by inserting before the period at
24 the end the following: “, or with respect to the policies
25 and procedures of an accreditation agency or association

1 described in paragraph (2) or (5) of subsection (c) or how
2 the agency or association carries out such policies and pro-
3 cedures”.

4 (j) RISK-BASED REVIEW PROCESSES OR PROCE-
5 DURES; WAIVER.—Section 496 (20 U.S.C. 1099b) is fur-
6 ther amended—

7 (1) by striking subsections (p) and (q); and

8 (2) by adding at the end the following:

9 “(p) RISK-BASED OR DIFFERENTIATED REVIEW
10 PROCESSES OR PROCEDURES.—

11 “(1) IN GENERAL.—Notwithstanding any other
12 provision of law (including subsection (a)(4)(A)), an
13 accrediting agency or association shall establish risk-
14 based processes or procedures for assessing compli-
15 ance with the accrediting agency or association’s
16 standards (including policies related to substantive
17 change and award of accreditation statuses) under
18 which the agency or association—

19 “(A) creates a system for understanding
20 the performance of each institution and pro-
21 gram of study being reviewed by such agency or
22 association in comparison with the performance
23 of other similarly situated institutions or pro-
24 grams of study (which may include the past
25 performance of the institution or program with

1 respect to meeting the accrediting agency or as-
2 sociation’s standards, including the standards
3 relating to the student success outcomes de-
4 scribed in subsection (a)(5)(A)(i);

5 “(B) with respect to each institution and
6 program of study designated as high-risk, as
7 determined using the accrediting agency or as-
8 sociation’s system described in subparagraph
9 (A), requires the institution and program of
10 study to submit the annual plans described in
11 subsection (c)(2)(B) to the agency or associa-
12 tion that address the performance issues of
13 such institution or program of study that re-
14 sulted in such designation;

15 “(C) with respect to each institution and
16 program of study whose performance meets or
17 exceeds the standards of the accrediting agency
18 or association, as determined using the system
19 described in subparagraph (A), reduces any
20 compliance requirements with respect to such
21 standards that are not assessing the institution
22 or program of study in accordance with sub-
23 section (a)(5) (such as on-site inspections); and

24 “(D) may require an institution or pro-
25 gram of study that has declining performance

1 (such as an institution or program of study
2 with a high-risk designation described in sub-
3 paragraph (B)), which has not improved as re-
4 quired by the annual plan submitted under sub-
5 section (c)(2)(B), to take actions to avoid or
6 minimize the risks that may lead to revocation
7 of accreditation (such as limiting certain pro-
8 gram of study enrollment or recommending to
9 the Secretary to limit funds under this title for
10 such an institution or program).

11 “(2) PROHIBITION.—Any risk-based review
12 process or procedure established pursuant to this
13 subsection shall not discriminate against, or other-
14 wise preclude, institutions of higher education based
15 on institutional sector or category, including an in-
16 stitution of higher education’s tax status.”.

17 (k) DEFINITIONS.—Section 496 (20 U.S.C. 1099b)
18 is further amended by adding at the end the following:

19 “(q) DEFINITIONS.—For purposes of this Act:

20 “(1) PROGRAM LENGTH.—The term ‘program
21 length’ means the minimum amount of time in
22 weeks, months, or years that is specified in the cata-
23 log, marketing materials, or other official publica-
24 tions of an institution of higher education for a full-

1 time student to complete the requirements for a spe-
2 cific program of study.

3 “(2) PROGRAM OF STUDY.—

4 “(A) IN GENERAL.—The term ‘program of
5 study’ means an eligible program at an institu-
6 tion of higher education that is classified by a
7 combination of—

8 “(i) one or more CIP codes; and

9 “(ii) one credential level, determined
10 by the credential awarded upon completion
11 of the program.

12 “(B) CIP CODE.—The term ‘CIP code’
13 means the six-digit taxonomic identification
14 code assigned by an institution of higher edu-
15 cation to a specific program of study at the in-
16 stitution, determined by the institution of high-
17 er education in accordance with the Classifica-
18 tion of Instructional Programs published by the
19 National Center for Education Statistics.

20 “(C) CREDENTIAL LEVEL.—

21 “(i) IN GENERAL.—The term ‘ creden-
22 tial level’ means the level of the degree or
23 other credential awarded by an institution
24 of higher education to students who com-
25 plete a program of study of the institution.

1 Each degree or other credential awarded
2 by an institution shall be categorized by
3 the institution as either undergraduate cre-
4 dential level or graduate credential level.

5 “(ii) UNDERGRADUATE CREDEN-
6 TIAL.—When used with respect to a cre-
7 dential or credential level, the term ‘under-
8 graduate credential’ includes credentials
9 such as an undergraduate certificate, an
10 associate degree, a bachelor’s degree, and a
11 post-baccalaureate certificate (including
12 the coursework specified in paragraphs
13 (3)(B) and (4)(B) of section 484(b)).

14 “(iii) GRADUATE CREDENTIAL.—
15 When used with respect to a credential or
16 credential level, the term ‘graduate creden-
17 tial’ includes credentials such as a master’s
18 degree, a doctoral degree, a professional
19 degree, and a postgraduate certificate.

20 “(3) RELIGIOUS MISSION.—The term ‘religious
21 mission’—

22 “(A) means a published institutional mis-
23 sion that is approved by the governing body of
24 an institution of higher education and that in-

1 cludes, refers to, or is predicated upon religious
2 tenets, beliefs, or teachings; and

3 “(B) may be reflected in any of the institu-
4 tion’s policies, decisions, or practices related to
5 such tenets, beliefs, or teachings (including any
6 policies or decisions concerning housing, em-
7 ployment, curriculum, self-governance, or stu-
8 dent admission, continuing enrollment, or grad-
9 uation).

10 “(4) TOTAL PRICE.—With respect to a student
11 who received Federal financial assistance under this
12 title and who completes a program of study, the
13 term ‘total price’ means the total amount, before
14 Federal financial assistance under this title was ap-
15 plied, a student was required to pay to complete the
16 program of study. A student’s total price shall be
17 calculated by the Secretary as the difference be-
18 tween—

19 “(A) the total amount of tuition and fees
20 that were charged to such student before the
21 application of any Federal financial assistance
22 provided under this title; minus

23 “(B) the total amount of grants and schol-
24 arships described in section 480(i) awarded to

1 such student from non-Federal sources for such
2 program of study.

3 “(5) VALUE-ADDED EARNINGS.—

4 “(A) IN GENERAL.—With respect to a stu-
5 dent who received Federal financial aid under
6 this title and who completed a program of study
7 offered by an institution of higher education,
8 the term ‘value-added earnings’ means—

9 “(i) the annual earnings of such stu-
10 dent measured during the applicable earn-
11 ings measurement period for such program
12 (as determined under subparagraph (C));
13 minus

14 “(ii) in the case of a student who
15 completed a program of study that
16 awards—

17 “(I) an undergraduate credential,
18 150 percent of the poverty line appli-
19 cable to a single individual as deter-
20 mined under section 673(2) of the
21 Community Services Block Grant Act
22 (42 U.S.C. 9902(2)) for such year; or

23 “(II) a graduate credential, 300
24 percent of the poverty line applicable
25 to a single individual as determined

1 under section 673(2) of the Commu-
2 nity Services Block Grant Act (42
3 U.S.C. 9902(2)) for such year.

4 “(B) GEOGRAPHIC ADJUSTMENT.—

5 “(i) IN GENERAL.—Except as pro-
6 vided in clause (ii), the Secretary shall use
7 the geographic location of the institution at
8 which a student completed a program of
9 study to adjust the value-added earnings of
10 the student calculated under subparagraph
11 (A) by dividing—

12 “(I) the difference between
13 clauses (i) and (ii) of such subpara-
14 graph; by

15 “(II) the most recent regional
16 price parity index of the Bureau of
17 Economics Analysis for the State or,
18 as applicable, metropolitan area in
19 which such institution is located.

20 “(ii) EXCEPTION.—The value-added
21 earnings of a student calculated under sub-
22 paragraph (A) shall not be adjusted based
23 on geographic location in accordance with
24 clause (i) if such student attended prin-
25 cipally through distance education.

1 “(C) EARNINGS MEASUREMENT PERIOD.—

2 “(i) IN GENERAL.—For the purpose
3 of calculating the value-added earnings of
4 a student, except as provided in clause (ii),
5 the annual earnings of a student shall be
6 measured—

7 “(I) in the case of a program of
8 study that awards an undergraduate
9 certificate, post baccalaureate certifi-
10 cate, or graduate certificate, 1 year
11 after the student completes such pro-
12 gram;

13 “(II) in the case of a program of
14 study that awards an associate’s de-
15 gree or master’s degree, 2 years after
16 the student completes such program;
17 and

18 “(III) in the case of a program of
19 study that awards a bachelor’s degree,
20 doctoral degree, or professional de-
21 gree, 4 years after the student com-
22 pletes such program.

23 “(ii) EXCEPTION.—The Secretary
24 may, as the Secretary determines appro-
25 priate based on the characteristics of a

1 program of study, extend an earnings
2 measurement period described in clause (i)
3 for a program of study that—

4 “(I) requires completion of an
5 additional educational program (such
6 as a residency or fellowship) after
7 completion of the program of study in
8 order to obtain licensure or board cer-
9 tification associated with the creden-
10 tial awarded for such program of
11 study; and

12 “(II) when combined with the
13 program length of such additional
14 educational program for licensure or
15 board certification, has a total pro-
16 gram length that exceeds the relevant
17 earnings measurement period pre-
18 scribed for such program of study
19 under clause (i),

20 except that in no case shall the annual
21 earnings of a student be measured more
22 than 1 year after the student completes
23 such additional educational program.”.

1 **SEC. 3. NATIONAL ADVISORY COMMITTEE ON INSTITU-**
2 **TIONAL QUALITY AND INTEGRITY (NACIQI).**

3 Section 114 (20 U.S.C. 1011e) is amended—

4 (1) in subsection (b)—

5 (A) in paragraph (2), by redesignating
6 subparagraphs (A) through (C) as clauses (i)
7 through (iii), respectively, and adjusting the
8 margins accordingly;

9 (B) by striking “Individuals” and inserting
10 the following:

11 “(A) IN GENERAL.—Individuals”;

12 (C) in clause (ii), as so redesignated, by
13 striking “and training” and inserting “and
14 skills development”;

15 (D) by adding at the end of paragraph (2)
16 the following:

17 “(B) DISQUALIFICATION.—No individual
18 may be appointed as a member of the Com-
19 mittee if such individual has a significant con-
20 flict of interest, such as being a current regu-
21 lator (such as a State authorizer), that would
22 require the individual to frequently be recused
23 from serving as a member of the Committee.”;

24 and

25 (E) in paragraph (3)—

1 (i) by striking “Except as provided in
2 paragraph (5), the term” and inserting
3 “The term”; and

4 (ii) by adding at the end the fol-
5 lowing: “If, during a term of office of a
6 member of the Committee, the member has
7 a changed circumstance that results in
8 such member having a significant conflict
9 of interest (as described in paragraph
10 (2)(B)), such member shall vacate such of-
11 fice and a new member shall be appointed
12 to serve the remainder of such term in ac-
13 cordance with this paragraph.”

14 (2) in subsection (c)—

15 (A) in paragraph (4), by adding “and” at
16 the end;

17 (B) in paragraph (5), by striking “; and”
18 at the end and inserting a period; and

19 (C) by striking paragraph (6);

20 (3) in subsection (d)(2), by inserting at the end
21 the following: “The name of any member of the
22 Committee who has been recused with respect to an
23 agenda item of the meeting shall be included in such
24 agenda.”;

1 (4) in subsection (e)(2)(D), by striking “, in-
2 cluding any additional functions established by the
3 Secretary through regulation”; and

4 (5) in subsection (f), by striking “September
5 30, 2021” and inserting “September 30, 2028”.

○