

Date of Hearing: July 8, 2025

**ASSEMBLY COMMITTEE ON HIGHER EDUCATION**

Mike Fong, Chair

SB 744 (Cabaldon) – As Amended June 11, 2025

**SENATE VOTE:** 38-0

**SUBJECT:** Accrediting agencies

**SUMMARY:** Provides that, for the purposes of any code or statute, a national or regional accrediting agency recognized by the United States Department of Education as of January 1, 2025, will retain that recognition until January 20, 2029, provided that the accrediting agency continues to operate in substantially the same manner as it did on January 1, 2025. The bill would repeal those provisions on January 1, 2030.

**EXISTING LAW:**

- 1) Establishes the University of California (UC) as a public trust to be administered by the Regents of the UC; and, grants the Regents full powers of organization and government, subject only to such legislative control as may be necessary to ensure security of its funds, compliance with the terms of its endowments, statutory requirements around competitive bidding and contracts, sales of property and the purchase of materials, goods and services (Article IX, Section (9)(a) of the California Constitution).
- 2) Establishes the Donahoe Higher Education Act, setting forth the mission of the UC, California State University (CSU), and California Community Colleges (CCC) (Education Code (EDC) Section 66010, et seq.).
- 3) Defines “independent institutions of higher education” as those nonpublic higher education institutions that grant undergraduate degrees, graduate degrees, or both, and that are formed as nonprofit corporations in this state and are accredited by an agency recognized by the United States Department of Education (EDC Section 66010, et seq.).
- 4) Confers upon the CSU Trustees the powers, duties, and functions with respect to the management, administration, control of the CSU system and provides that the Trustees are responsible for the rule of government of their appointees and employees (EDC Sections 66606 and 89500, et seq.).
- 5) Establishes the CCC under the administration of the Board of Governors of the CCC, as one of the segments of public postsecondary education in this State, and specifies that the CCC is comprised of community college districts (EDC Section 70900).
- 6) Requires that all campuses or other units of any segment of postsecondary education that receive public funding through state or federal financial aid programs be institutionally accredited by an accrediting agency recognized by the United States Department of Education, and requires those institutions make final accreditation documents available to the public via display in a prominent location on the institution’s Internet Web site. (EDC Section 66014.8).

- 7) Requires certain for-profit postsecondary educational institutions to be accredited by an accrediting agency recognized by the United States Department of Education to be eligible for certain programs and to receive an approval to operate. (EDC Section 94885, et seq.)
- 8) Specifically exempts schools that are accredited by the Accrediting Commission for Senior Colleges and Universities, Western Association of Schools and Colleges, or the Accrediting Commission for Community and Junior Colleges, Western Association of Schools and Colleges (WASC) from the provisions of the are exempt from the California Private Postsecondary Education Act of 2009 and oversight by the oversight by the Bureau of Private Postsecondary Education (BPPE). (EDC Section 94874 (i))
- 9) Requires the regional accrediting agency for the community colleges to report to the appropriate policy and budget subcommittees of the Legislature upon the issuance of a decision that affects the accreditation status of a CCC campus and, on a biannual basis, report any accreditation policy changes that affect the accreditation process or status for a CCC campus. (EDC Section 72208)
- 10) Requires degree-granting institutions to provide evidence of accreditation of the institution and of all degree programs to California State Approving Agency for Veterans Education (CSAAVE) in order to remain eligible for federal Title 38 awards. (EDC Section 67102)
- 11) Requires accreditation for certain institutions in order to be considered a “qualified institution” for the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant (Cal Grant) Program. (EDC Section 69432.7(l)(1) et seq.).
- 12) Various professions and vocations overseen by the Department of Consumer Affairs require applicants for licensure or licensees to satisfy educational requirements by completing programs or degrees from institutions or universities accredited by a regional or national accrediting agency or association recognized by the United States Department of Education, or otherwise impose a requirement that a school or program be accredited by an accrediting agency recognized by the United States Department of Education. (Business and Professions Code (BPC) Section 2084, BPC Section 4996.18, BPC Section 10153.5, BPC Section 2786.2, BPC Section 1941, and others)
- 13) Requires each community college within a district be an accredited institution, Specifies that accreditation will be determined only by an accrediting agency recommended by the Chancellor and approved by the Board of Governors. Specifies that the Board will approve only an accreditor recognized and approved by the U.S. Secretary of Education under the Higher Education Act of 1965 acting within the agency's scope of recognition. (Title Five of the California Code of Regulations (CCR), Section 51016)

**FISCAL EFFECT:** Unknown. The provisions of SB 744 (Cabaldon) that were analyzed by the Senate Committee on Appropriations have been removed and replaced with the current language.

**COMMENTS:** *Background.* According to *An Overview of Accreditation of Higher Education in the United States*, a report published for members of Congress by the Congressional Research Service in April of 2024, the federal government provides varying types of support to postsecondary students and schools, including student financial assistance (e.g., Pell Grants and Direct Loans) authorized under Title IV of the Higher Education Act. Postsecondary schools seeking to participate in these federal programs must meet a variety of requirements, including

being accredited by an agency recognized by the U.S. Department of Education as a reliable authority on the quality of the education being offered.

The United States does not have a centralized authority exercising singular national control over postsecondary educational institutions. Consequently, the character and quality of postsecondary schools and their programs can vary widely. The role of accreditation in higher education is to serve as a marker of a level of acceptable quality across the wide array of postsecondary schools and educational programs. The federal government has come to rely on accrediting agencies recognized by the U.S. Department of Education to help ensure the postsecondary institutions and educational programs to which federal funds are provided meet a minimum quality level.

Higher education practitioners and stakeholders often refer to three general types of accrediting agencies. Regional accrediting agencies historically concentrated their reviews on institutions in specific regions of the United States. National accrediting agencies operated across the United States and primarily review proprietary institutions, career-based single-purpose institutions, and religiously affiliated institutions. Programmatic accrediting agencies operate nationwide and review individual educational programs and single-purpose institutions. The U.S. Department of Education refers to the different accreditors as institutional accreditors, which evaluate entire postsecondary schools and comprise regional and national accreditors, and programmatic accreditors.

*Regional versus National accreditation.* California law makes certain distinctions between regional and national accreditors. Prior to 2020, institutions generally sought accreditation from the accreditor associated with their geographic region. Institutions accredited by WASC, or the Accrediting Commission for Community and Junior Colleges, for example, are exempt from the California Private Postsecondary Education Act of 2009 and oversight by the BPPE.

In 2020 the U.S. Department of Education, in their final accreditation and state authorization regulations, removed the distinction between regional and national accreditors, and now categorizes both types of agencies as institutional accreditors. The U.S. Department of Education also removed the limitation on regional accreditors' geographic scope.

*Committee Staff notes that SB 744 (Cabaldon) continues to use the "regional" and "national" distinctions, and Staff understands that the intent is to remain consistent with aspects of existing law that rely on these distinction. Moving forward, the Committee may wish to consider if elements of existing law should be reviewed to consider how federal changes to institutional accreditors impact state accreditation standards and requirements.*

*Executive Order 14279.* On April 23, 2025, President Donald J. Trump issued Executive Order 14279—*Reforming Accreditation To Strengthen Higher Education*. In the Executive Order, President Trump asserts that "accreditors routinely approve institutions that are low-quality by the most important measures. The national six-year undergraduate graduation rate was an alarming 64% in 2020. Further, many accredited institutions offer undergraduate and graduate programs with a negative return on investment—almost 25% of bachelor's degrees and more than 40% of master's degrees—which may leave students financially worse off and in enormous debt by charging them exorbitant sums for a degree with very modest earnings potential. Notwithstanding this slide in graduation rates and graduates' performance in the labor market, the spike in debt obligations in relation to expected earnings, and repayment rates on student

loans, accreditors have remained improperly focused on compelling adoption of discriminatory ideology, rather than on student outcomes.”

The Executive Order calls on the U.S. Attorney General and the U.S. Secretary of Education to “investigate and take appropriate action to terminate unlawful discrimination by American law schools that is advanced by the Council, including unlawful ‘diversity, equity, and inclusion’ requirements under the guise of accreditation standards. The Secretary of Education shall also assess whether to suspend or terminate the Council’s status as an accrediting agency under Federal law.”

In addition to the potential investigation and suspension of accrediting bodies, the Executive Order seeks to establish new principles of “Student-Oriented Accreditation” that specifically require:

- 1) “Accreditation requires higher education institutions to provide high-quality, high-value academic programs free from unlawful discrimination or other violations of Federal law.”
- 2) “Barriers are reduced that limit institutions from adopting practices that advance credential and degree completion and spur new models of education.”
- 3) “Accreditation requires that institutions support and appropriately prioritize intellectual diversity amongst faculty in order to advance academic freedom, intellectual inquiry, and student learning.”
- 4) “Accreditors are not using their role under Federal law to encourage or force institution to violate State laws, unless such State laws violate the Constitution or Federal law.”
- 5) “Accreditors are prohibited from engaging in practices that result in credential inflation that burdens students with additional unnecessary costs.”

*Purpose.* According to the author, “under California state law, higher education institutions must receive accreditation to be eligible for state resources and professional licensures. Accreditors review institutions’ policies and curricula to certify that they meet a specified level of quality for all higher education institutions, including law schools and medical institutions. This accreditation makes students eligible for financial aid, student loans, and deems that a degree or certificate that they earn from the institutions meets a federally recognized standard.”

“On April 23, 2025, President Trump weaponized the Federal Department of Education to target universities through Executive Order 14279. The policy directs accreditors to remove all standards related to diversity and to uphold the values of the President’s administration. The federal government has the authority to revoke accreditation, rendering these institutions ineligible for federal funding and potentially affecting the recognition of students’ degrees and certificates. Most recently, the [U.S.] Department of Education notified the accrediting agency for Columbia University of an investigation related to a violation of antidiscrimination laws. With erratic changes in accreditation policy, California needs to provide a safeguard for its universities.”

“SB 744 recognizes any federal accreditor that was certified before January 1, 2025 for the purposes of state law. This policy protects California universities by allowing universities to

continue to operate for the purposes of state financial aid, programs, and licensures in the event the federal government revokes accreditation.”

*Committee comments.* While this bill will provide some insulation for California institutions for the purpose of complying with our accreditation law, it does raise policy questions as to whether the State will assume the role of ensuring that institutions follow the spirit of accreditation while an institution’s status is in limbo, or if that institution is working to gain accreditation following a negative federal action. *The Committee may wish to consider if the State poised to enforce existing state laws to prevent discrimination and sexual harassment.*

## **REGISTERED SUPPORT / OPPOSITION:**

### **Support**

None on file.

### **Opposition**

None on file.

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