To amend the Higher Education Act of 1965 to provide for accreditation reform, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Ms. Warren (for herself, Mr. Durbin, and Mr. Schatz) introduced the following bill; which was read twice and referred to the Committee on

A BILL

To amend the Higher Education Act of 1965 to provide for accreditation reform, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Accreditation Reform and Enhanced Accountability Act of 2016”.

SEC. 2. PURPOSE.

The purpose of this Act is to improve the effectiveness of recognized accreditation as an eligibility requirement for Federal education funding and to increase the
accountability of institutions of higher education for student outcomes.

SEC. 3. RECOGNITION OF ACCREDITING AGENCY OR ASSOCIATION.

Section 496 of the Higher Education Act of 1965 (20 U.S.C. 1099b) is amended—

(1) in subsection (g)—

(A) in the subsection heading, by striking "LIMITATION ON";

(B) by striking "Nothing in this section shall be construed to permit the Secretary to establish any criteria that specifies, defines, or prescribes the standards that accrediting agencies or associations shall use to assess any institution's success with respect to student achievement.''; and

(C) by adding at the end the following: "Nothing in this section shall prohibit the Secretary from establishing regulations regarding the criteria for accrediting agencies or associations that are required under this section, including criteria or standards with respect to student achievement, or from establishing differentiated recognition processes for accrediting agencies or associations. Nothing in this section
shall be construed to permit the Secretary to establish any regulation that limits the academic freedom of an institution of higher education, such as any criterion that specifies, defines, or prescribes curriculum or instruction.”;

and

(2) in subsection (o), by striking “Notwithstanding any other provision of law, the Secretary shall not promulgate any regulation with respect to the standards of an accreditation agency or association described in subsection (a)(5).”.

SEC. 4. ACCREDITATION STANDARDS.

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

(1) in the matter preceding paragraph (1), by striking “of student achievement” and inserting “for the effectiveness of accrediting agencies or associations”;

(2) in paragraph (4)(A), by striking “the stated objective for which the courses or the programs are offered” and inserting “the objectives for which courses or programs of this type are offered”; and

(3) in paragraph (5)—

(A) in the matter preceding subparagraph (A), by striking “assess the institution’s” and
inserting “meet the criteria established by the Secretary with respect to such standards and assess and make accreditation determinations based on the institution’s”; 

(B) by striking subparagraph (A) and inserting the following: 

“(A) outcomes and success with respect to student achievement in relation to the institution’s mission, according to standards determined by the Secretary, and data provided by the Secretary to accrediting agencies or associations, including retention rate, graduation and course completion rates, cohort default rate, repayment rate, transfer rate, student earnings after graduation, and job placement rates, professional and vocational certification and licensing examination pass rate, as applicable, and additional measures of student achievement, as determined by the Secretary;”; 

(C) by striking subparagraph (E) and inserting the following: 

“(E) affordability, such as average net price and changes in tuition and fees;”; 

(D) in subparagraph (I)—
(i) by inserting “and any actions taken against the institution by any State or the Federal Government, including ongoing investigations, lawsuits that have survived motions to dismiss, settlements, or any judgments against the institution in a State or Federal court” after “the agency or association”; and

(ii) by striking “and” after the semi-colon;

(E) by striking subparagraph (J) and inserting the following:

“(J) record of compliance with its program responsibilities under this title based on information the Secretary may provide to the agency or association; and”; and

(F) by inserting after subparagraph (J) the following:

“(K) enrollment levels of students receiving Federal Pell Grants;”.

SEC. 5. MINIMUM BASELINE THRESHOLD.

Section 496 of the Higher Education Act of 1965 (20 U.S.C. 1099b) is amended by adding at the end the following:

“(r) MINIMUM BASELINE THRESHOLD.—
“(1) IN GENERAL.—In order to be recognized by the Secretary as a reliable authority as to the quality of education or training offered by an institution of higher education seeking to participate in the programs authorized under this title, an accrediting agency or association shall require that each institution of higher education subject to its jurisdiction meet or exceed the baseline thresholds established by the Secretary pursuant to paragraph (3) for the student achievement measures described in paragraph (2) not less than 2 out of 3 consecutive years, in order to remain accredited by the agency or association.

“(2) STUDENT ACHIEVEMENT MEASURES.—The student achievement measures required under this subsection shall be each of the following:

“(A) The graduation rate, as defined by the Secretary through regulations, of the institution of higher education, for the most recent year or years for which data are available, for all students attending the institution.

“(B) The 3-year cohort default rate, calculated for the most recent year for which data are available, for all individuals who entered repayment on any Federal Direct Loan received
for attendance at the institution during the applicable year (as determined in accordance with section 435(m)).

“(C) The 5-year cohort repayment rate, as defined by the Secretary through regulations, calculated for the most recent year for which data are available, for all individuals who entered repayment on any Federal Direct Loan received for attendance at the institution during the applicable year.

“(D) Any other measure, as determined by the Secretary through regulation, in consultation with the Commissioner of the National Center for Education Statistics.

“(3) BASELINE THRESHOLDS.—The Secretary shall, through regulations, establish a baseline threshold for each of the student achievement measures described in paragraph (2) in relation to the institution’s mission.

“(4) STUDENT ACHIEVEMENT DATA.—The Secretary shall annually provide the necessary student achievement data to accrediting agencies or associations to carry out this subsection.

“(5) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed as prohibiting an
accréditant agency or association from assessing institutions of higher education using a holistic review of student achievement, which may include measures and thresholds beyond what is required by this subsection, or in subsection (a)(5)(A), for the purposes of continuous institutional improvement.”.

SEC. 6. ACCREDITATION REVIEWS.

Section 496 of the Higher Education Act of 1965 (20 U.S.C. 1099b), as amended by section 5, is further amended by adding at the end the following:

“(s) ACCREDITATION REVIEWS.—

“(1) STANDARD REVIEWS.—In order to be recognized by the Secretary as a reliable authority as to the quality of education or training offered by an institution of higher education seeking to participate in the programs authorized under this title, an accrediting agency or association shall—

“(A) require that each institution of higher education subject to its jurisdiction undergo a standard accreditation review at regular intervals as determined by the agency or association, and before the agency or association first provides accreditation to such institution; and

“(B) conduct the standard accreditation review and make accreditation determinations
based on the standards described in subsection (a)(5).

“(2) ENHANCED ACCREDITATION REVIEWS.—

“(A) IN GENERAL.—In order to be recognized by the Secretary as a reliable authority as to the quality of education or training offered by an institution of higher education seeking to participate in the programs authorized under this title, an accrediting agency or association shall carry out an enhanced accreditation review of an institution of higher education subject to its jurisdiction—

“(i) immediately after the agency or association learns—

“(I) that the institution is the subject of an investigation, settlement, or adverse judgment by a Federal authority (other than the Department) or a State for a violation relating to fraud or abuse, deceptive practices, or material harm to students enrolled, or previously enrolled, at the institution; or

“(II) of any other situation or factor required by the Secretary
through regulations promulgated under this section that relate to the student achievement measures described in subsection (r);

“(ii) if the agency or association has reason to believe that the institution is failing to meet its program responsibilities under this title or is engaged in fraud or abuse, deceptive practices, or material harm to students enrolled, or previously enrolled, at the institution; or

“(iii) at any other time the agency or association determines necessary, as outlined in the agency or association’s standards.

“(B) CONTENT OF AN ENHANCED ACCREDITATION REVIEW.—For each enhanced accreditation review required under subparagraph (A)—

“(i) the accrediting agency or association may consider any of the factors that it considers during a standard accreditation review;

“(ii) the accrediting agency or association shall—
“(I) investigate the issue that triggered the enhanced accreditation review; and

“(II) determine if the accreditation of the institution should be withdrawn or suspended, or if any other action should be taken; and

“(iii) the institution shall be required to make additional disclosures, as determined by the Secretary through regulations promulgated under this section, to the students attending the institution and to the public.

“(C) Review reporting requirements.—An accrediting agency or association that conducts an enhanced accreditation review under this paragraph shall make available to the public on the agency or association’s website and submit to the Secretary, the appropriate State licensing or authorizing agency, and the appropriate State Attorney General—

“(i) when the agency or association initiates the enhanced accreditation review and the reason for conducting the enhanced accreditation review;
“(ii) at the conclusion of the enhanced accreditation review, the information obtained by the agency or association as part of the enhanced accreditation review, including the institution’s performance on the student achievement measures, to the extent required by the Secretary through regulations promulgated under this section; and

“(iii) at the conclusion of the enhanced accreditation review, the outcome of the enhanced accreditation review and an explanation of the reasons for any actions taken as a result of the enhanced accreditation review.”.

SEC. 7. ACCREDITATION AGENCY ACTION.

Section 496 of the Higher Education Act of 1965 (20 U.S.C. 1099b), as amended by sections 5 and 6, is further amended by adding at the end the following:

“(t) ACCREDITATION AGENCY ACTION.—

“(1) IN GENERAL.—In order to be recognized by the Secretary as a reliable authority as to the quality of education or training offered by an institution of higher education seeking to participate in the programs authorized under this title, an aced-
ATING agency or association shall agree to take action, as described in paragraph (2), with respect to an institution of higher education subject to its jurisdiction if any of the following occur:

“(A) Change in ownership of the institution.

“(B) Rapid change in size of student population at the institution, as defined by the Secretary in regulations promulgated under this section.

“(C) Any notification by the Secretary to the agency or association of poor financial health, including—

“(i) a lowering in the credit rating provided to the institution by a credit rating agency (as defined in section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a))); and

“(ii) any other indicator of financial weakness as defined by the Secretary, which may include heightened cash monitoring or the requirement to post a letter of credit.

“(D) Any substantive change to the institution’s programs or locations.
“(E) Any other event determined appropriate by the Secretary through regulations promulgated under this section.

“(F) Any other event determined by the accrediting agency or association.

“(2) ACTIONS.—The actions that may be taken by an accrediting agency or association under this paragraph are the following:

“(A) An enhanced accreditation review.

“(B) Formal accrediting action taken by the agency or association, such as a compliance assessment or the imposition of formal conditions on accreditation that occurs separate from the standard accreditation reviews.

“(C) A formal request for additional information.

“(D) A recommendation that the institution carefully monitor and report to the accrediting agency or association factors relating to the event described in paragraph (1), or put into place appropriate controls or improvement strategies relating to such event.

“(E) Other actions determined appropriate by the accrediting agency or association.”.
SEC. 8. OPERATING PROCEDURES.

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

(1) by striking “the Secretary and the appropriate State licensing or authorizing agency within 30 days” and inserting “the Secretary, the appropriate State licensing or authorizing agency, and the appropriate State Attorney General, within 30 days”; and

(2) by striking “adverse” and inserting “negative”.

(b) AVAILABILITY TO THE PUBLIC.—Section 496(c) of the Higher Education Act of 1965 (20 U.S.C. 1099b(c)) is amended—

(1) in paragraph (7)—

(A) in the matter preceding subparagraph (A), by striking “makes available to the public and the State licensing or authorizing agency, and submits to the Secretary, a summary of agency or association actions” and inserting “makes available to the public on the agency or association’s website and submits to the Secretary, the appropriate State licensing or authorizing agency, and the appropriate State Attorney General, and other relevant agencies,
which may include the Bureau of Consumer Financial Protection, the Federal Trade Commission, the Department of Defense, and the Department of Veterans Affairs, as appropriate, a summary of and justification for the final decision issued to the institution regarding each accreditation action”; and

(B) in subparagraph (C), by striking “adverse action taken with respect to an institution or placement on probation of an institution” and inserting “negative action taken, including an order to show cause, with respect to an institution, or placement on probation of an institution”;

(2) in paragraph (8), by striking “and” after the semicolon;

(3) by adding at the end the following:

“(10) turns over to the Secretary all accreditation documents of an institution that closes; and”.

SEC. 9. CONFLICT OF INTEREST.

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

(1) in paragraph (7), by striking “and” after the semicolon;
(2) in paragraph (8), by striking the period at the end and inserting ‘‘; and’’; and

(3) by adding at the end the following:

‘‘(9) such agency or association prohibits an individual—

‘‘(A) from participating in any review or decision making role in any part of the agency’s or association’s accreditation process, including service on the agency’s or association’s commission or governing board and reviewing or deciding on accreditation policies or the accreditation status of institutions or programs, if the individual, or a family member of the individual (as defined by the Secretary)—

‘‘(i) is an administrative officer of an institution of higher education accredited by or seeking accreditation from such agency or association;

‘‘(ii) has a financial stake in any institution of higher education (other than as an employee), including as an investor, bondholder, creditor, vendor, or contractor;

‘‘(iii) has a fiduciary responsibility to an institution of higher education accred-
ited by or seeking accreditation from such agency or association;

“(iv) is a Federally registered lobbyist; or

“(v) is ineligible to participate under regulations prescribed by the Secretary based on affiliation with an institution that has a history of administrative or legal action brought on behalf of students or taxpayers, or that currently faces such action, or that closed without providing equitable treatment of students; and

“(B) from participating in any review or decision making role in any part of the agency’s or association’s accreditation process with respect to a particular institution or program, if the individual, or a family member of the individual (as defined by the Secretary), is an employee or was an employee in the preceding 3 years of the institution or program.”.

SEC. 10. ACCREDITATION AGENCY ACCOUNTABILITY.

(a) In General.—Section 496 of the Higher Education Act of 1965 (20 U.S.C. 1099b) is amended—

(1) in subsection (l)(1)—
(A) in subparagraph (A), by striking “or” after the semicolon;

(B) in subparagraph (B)(ii), by striking the period at the end and inserting “; or”; and

(C) by adding at the end the following:

“(C) impose a fine if the agency or association failed to notify the Secretary when the agency or association had reason to believe an institution of higher education was failing to meet its program responsibilities under this title or was engaged in fraud or abuse, deceptive practices, or material harm to students enrolled, or previously enrolled, at the institution, or failed to take action under subsection (t)(2) for such an institution.”; and

(2) in subsection (n)—

(A) in paragraph (3)—

(i) in the first sentence, by inserting “or any institution that the agency or association accredits” before the period at the end;

(ii) by inserting after the first sentence the following: “The Secretary shall conduct a performance-based review and make a holistic judgment regarding wheth-
er the accrediting agency or association is a reliable authority on the quality of post-
secondary education, including the quality of the agency’s or association’s processes to accurately assess outcomes and success with respect to student achievement of the institutions the agency or association accredits to deliver a quality education consistent with the missions of the institutions, and the effectiveness, timeliness, and consistency of the accrediting agency or association in addressing the standards in subsection (a).’’; and

(iii) by striking ‘‘The Secretary shall not, under any circumstances, base decisions on the recognition or denial of recognition of accreditation agencies or associations on criteria other than those contained in this section.’’; and

(B) by adding at the end the following:

“(5)(A) Not later than 30 days after a finding by a Federal or State agency or court of law that an institution of higher education has violated a Federal or State law related to fraud or abuse, deceptive practices, materially harmed students en-
rolled, or previously enrolled, at the institution of higher education, breached its fiduciary duty to the Department under this title, been the subject of a settlement or lawsuit that has survived a motion to dismiss by a State or Federal entity related to fraud or abuse or deceptive practices, or filed for bankruptcy, the Secretary shall carry out the following:

“(i) Initiate a review of the accrediting agency or association that accredited the institution to determine if the accrediting agency or association failed to effectively apply the criteria in this section, or is otherwise not in compliance with the requirements of this section, and, if the accrediting agency or association is not in compliance, shall initiate action pursuant to subsection (l) to take any or all of the following actions:

“(I) Limit, suspend, or terminate recognition of the agency or association.

“(II) Require the agency or association to take appropriate action.

“(III) Impose a fine for noncompliance.

“(ii) Make publicly available the initiation of the review and outcome.
“(B) The Office of Inspector General of the Department shall review, on an annual basis, the Secretary’s actions under this subsection, along with findings by the Secretary and provide recommendations on appropriate fines or actions (including withdrawing approval or recognition of the accrediting agency or association) against an accrediting agency or association sanctioned under this section to the Secretary and appropriate Department staff.

“(C) The Office of Inspector General of the Department shall provide a report that is made available to the public and provide a copy to the National Advisory Committee on Institutional Quality and Integrity, the Committee on Health, Education, Labor, and Pensions of the Senate, and the Committee on Education and the Workforce of the House of Representatives on the review under subparagraph (B).

“(D) Any monetary penalty or payment assessed by an accrediting agency or association on institutions of higher education subject to the jurisdiction of the agency or association as a result of a fine imposed under this paragraph shall be assessed equally to each institution subject to the jurisdiction of the agency or association.”.
SEC. 11. CREDIT TRANSFER AGREEMENT.

Section 496(c) of the Higher Education Act of 1965 (20 U.S.C. 1099b(c)), as amended by section 8(b), is further amended by adding at the end the following:

“(11)(A) not later than 4 years after the date of enactment of the Accreditation Reform and Enhanced Accountability Act of 2016, requires that each institution subject to the jurisdiction of the agency or association have a credit transfer agreement with all other institutions accredited by the agency or association that provides for the transfer of credit earned for all general education courses and for courses required as part of substantially similar programs; and

“(B) confirms, as a part of the accreditation or reaccreditation review conducted by the agency or association, that the institution has transfer of credit policies that—

“(i) meet the requirements of subparagraph (A);

“(ii) are publicly disclosed; and

“(iii) include a statement of the criteria established by the institution regarding the transfer of credit earned at another institution of higher education.”.
SEC. 12. ACCREDITATION DISCLOSURE.

(a) ACCREDITATION DISCLOSURE SYSTEM.—Part G of title IV of the Higher Education Act of 1965 (20 U.S.C. 1088 et seq.) is amended by adding at the end the following:

“SEC. 493E. ACCREDITATION DISCLOSURE SYSTEM.

“(a) IN GENERAL.—Not later than 18 months after the date of enactment of the Accreditation Reform and Enhanced Accountability Act of 2016, the Secretary shall design and establish standards for standardized online accreditation disclosures by institutions of higher education that participate in any program under this title. The Secretary shall require each such institution of higher education to—

“(1) display, prominently on the institution’s website, a standard form of disclosure of the institution’s accreditation status, designed by the Secretary, including whether the status is under appeal;

“(2) regularly update such display as its accreditation status changes; and

“(3) include a link from such display, including on the homepage of the institution’s website, to any applicable supporting public documentation relating to the institution’s accreditation status, including correspondence to and from the accrediting agency or association.
“(b) ACCREDITATION TERMINOLOGY.—The Secretary shall work with accrediting agencies and associations to establish by regulation common definitions for the various accreditation statuses and actions taken by accrediting agencies and associations, for use by such agencies and associations in all public documents and reporting to the Secretary, State licensing or authorizing agency, and State Attorneys General.

“(c) COORDINATION.—In developing the system described in subsection (a), the Secretary shall consult with the Committee on Health, Education, Labor, and Pensions of the Senate and the Committee on Education and the Workforce of the House of Representatives, other Federal agencies, student and consumer advocacy groups, institutions of higher education, accrediting agencies and associations, and other entities determined appropriate by the Secretary.

“(d) ACCREDITATION STATUS.—In this section, the term ‘accreditation status’ means—

“(1) the issuance of any order to show cause;

“(2) the initiation of an enhanced accreditation review under this Act and any action taken as a result of such review;

“(3) any action taken pursuant to section 496(t)(2);
“(4) any other action taken by an accrediting agency or association, as described in subparagraph (A), (B), or (C) of section 496(c)(8); and

“(5) any other factor determined appropriate by the Secretary through regulation.

“(e) T RANSPARENCY.—Not later than 1 year after the date of enactment of the Accreditation Reform and Enhanced Accountability Act of 2016, the Secretary shall collect from accrediting agencies and associations and publish on a Federally maintained website all final documents produced in the agencies’ and associations’ reviews of institutions of higher education, including site-visit reports, decision letters, a list of members of the review committees, and all other final documents that the Secretary determines appropriate.”.

(b) P ROGRAM P ARTICIPATION A GREEMENT.—Section 487(a) of the Higher Education Act of 1965 (20 U.S.C. 1094(a)) is amended by adding at the end the following:

“(30) Not later than 3 years after the date of enactment of the Accreditation Reform and Enhanced Accountability Act of 2016, the institution will use, prominently on the institution’s website, the standardized online accreditation disclosure system established by the Secretary under section 493E to—
“(A) disclose the accreditation status of
the institution; and

“(B) update the disclosure within 48 hours
of receiving notification from an accrediting
agency or association of a change in accredita-
tion status.”.

7 SEC. 13. DIFFERENTIATED ACCREDITATION STATUS.

Section 496 of the Higher Education Act of 1965 (20
U.S.C. 1099b), as amended by sections 5, 6, and 7, is
further amended by adding at the end the following:

“(u) DIFFERENTIATED ACCREDITATION STATUS.—

“(1) IN GENERAL.—Solely for purposes of con-
sumer information, an accrediting agency or associa-
tion may designate an institution of higher edu-
cation that the agency or association accredits as
‘accredited with distinction’ or ‘accredited with risk’
according to definitions developed by the Secretary
under paragraph (2).

“(2) DESIGNATION DEFINITIONS.—The Sec-
retary, through regulation, shall develop definitions
of ‘accredited with distinction’ and ‘accredited with
risk’ that an accrediting agency or association shall
use in making designations under paragraph (1)
based on student achievement standards developed
in accordance with subsection (a)(5)(A) in relation to the institution of higher education’s mission.”.

SEC. 14. TEACH-OUT PLANS.

Section 496(c) of the Higher Education Act of 1965 (20 U.S.C. 1099b(c)), as amended by sections 8 and 11, is further amended—

(1) by striking paragraph (3) and inserting the following:

“(3)(A) requires an institution to submit for approval to the accrediting agency or association a teach-out plan if—

“(i) the accrediting agency or association acts to withdraw, terminate, or suspend the accreditation of the institution;

“(ii) the accrediting agency or association requires the institution to show cause for continued accreditation; or

“(iii) the institution notifies the accrediting agency or association that the institution intends to cease operations;

“(B) requires an institution to—

“(i) submit for approval to the accrediting agency or association a teach-out plan not later than 30 days after the date—
“(I) the Department notifies the accrediting agency or association of an action against the institution pursuant to section 487(f);

“(II) the accrediting agency or association places the institution on probation or show cause, or notifies the institution that the agency or association deems it a high-risk institution;

“(III) the institution is required to post a Letter of Credit to the Department of Education;

“(IV) the institution is placed on Heightened Cash Monitoring 2;

“(V) the institution receives a failing Financial Responsibility Composite Score;

“(VI) the institution is subject to an enhanced accreditation review under subsection (s)(2); or

“(VII) the institution is at risk under regulations prescribed by the Secretary for this purpose; and

“(ii) regularly update and maintain the teach-out plan until such time as the Secretary determines; and
“(C) does not approve a teach-out plan that includes a plan for the participation of any institution of higher education that is the subject of an investigation, settlement, or adverse judgment by a Federal authority (including the Department) or a State for a violation relating to fraud or abuse, deceptive practices, or material harm to students enrolled, or previously enrolled, at the institution;”;

(2) by redesignating paragraphs (4) through (11) as paragraphs (5) through (12), respectively; and

(3) by inserting after paragraph (3) the following:

“(4) with respect to private institutions, ensures that sufficient funds have been, or will be, allocated to carry out all teach-out plans and agreements required under paragraph (3);”.

SEC. 15. JURISDICTION.

Section 496 of the Higher Education Act of 1965 (20 U.S.C. 1099b), as amended by sections 5, 6, 7, and 13, is further amended by adding at the end the following:

“(v) JURISDICTION.—Notwithstanding any other provision of law, any civil action brought by any party regarding this section or implementing regulations, or an institution of higher education seeking accreditation from,
or accredited by, an accrediting agency or association rec-
ognized by the Secretary for the purpose of this title and
involving the denial, withdrawal, or termination of accredi-
tation of the institution of higher education, shall be
brought in the appropriate United States district court.”.

**SEC. 16. CHANGE OF ACCREDITOR.**

Section 496(h) of the Higher Education Act of 1965
(20 U.S.C. 1099b(h)) is amended to read as follows:

“(h) CHANGE OF ACCREDITING AGENCY OR ASSOCIA-
TION.—The Secretary shall not recognize the accreditation
of any otherwise eligible institution of higher education
that is in the process of changing its accrediting agency
or association, including due to a change in ownership of
the institution, unless—

“(1) the institution submits for approval to the
Secretary all materials relating to the prior accredi-
tation, including materials that the Secretary deter-
mines demonstrate reasonable cause for changing
the accrediting agency or association;

“(2) the institution received full reaccreditation
from the prior accrediting agency or association dur-
ing the 24 month period preceding the date of the
recognition; and
“(3) the institution was reaccredited under its prior accrediting agency or association’s most recent accreditation standards.”.

SEC. 17. SENSE OF CONGRESS.

It is the sense of Congress that nothing in this Act or the amendments made by this Act limits the generally accepted principles of academic freedom of an institution of higher education or should be construed as providing authority to the Secretary of Education to limit that academic freedom.

SEC. 18. RULES OF CONSTRUCTION; STUDENT ACHIEVEMENT DATA.

Section 496 of the Higher Education Act of 1965 (20 U.S.C. 1099b), as amended by sections 5, 6, 7, 13, and 15, is further amended by adding at the end the following:

“(w) DIFFERENTIATED ACCREDITATION PROCESSES.—Nothing in this title shall be interpreted to prevent an accrediting agency or association from establishing differentiated accreditation processes for institutions based on risk.

“(x) APPLICABILITY.—The provisions of this section shall apply to both institutional and programmatic accreditation that is a condition for an institution to be an eligible institution for the purposes of any program authorized under this title.
“(y) STUDENT ACHIEVEMENT DATA.—

“(1) IN GENERAL.—The Secretary shall provide the necessary student achievement data to accrediting agencies or associations needed to implement subsection (a)(5)(A).

“(2) DISAGGREGATION.—To the extent practicable, the data described in paragraph (1) shall be provided to accrediting agencies or associations in a manner that can be disaggregated by Pell Grant recipients.”.