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UNFINISHED BUSINESS

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Bill No: SB 744  
Author: Cabaldon (D)  
Amended: 9/3/25 in Assembly  
Vote: 21

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SENATE EDUCATION COMMITTEE: 7-0, 4/9/25  
AYES: Pérez, Ochoa Bogh, Cabaldon, Choi, Cortese, Gonzalez, Laird

SENATE APPROPRIATIONS COMMITTEE: 6-0, 5/23/25  
AYES: Caballero, Seyarto, Cabaldon, Grayson, Richardson, Wahab  
NO VOTE RECORDED: Dahle

SENATE FLOOR: 38-0, 5/29/25  
AYES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear,  
Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez,  
Grayson, Grove, Hurtado, Jones, Laird, McGuire, McNerney, Menjivar, Niello,  
Ochoa Bogh, Padilla, Pérez, Richardson, Rubio, Seyarto, Smallwood-Cuevas,  
Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener  
NO VOTE RECORDED: Limón, Reyes

ASSEMBLY FLOOR: 47-16, 9/12/25 – Roll call vote not available.

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**SUBJECT:** Accrediting Agencies

**SOURCE:** Author

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**DIGEST:** This bill provides that, for purposes of any code or statute, recognition of national or regional accreditation by the United States Department of Education (USDE) as of January 1, 2025, is retained until July 1, 2029 for an accrediting agency that continues to operate in substantially the same manner as it did on January 1, 2025.

*Assembly Amendments* of 9/3/25 replace the original contents of this bill with current provisions on accrediting agencies.

**ANALYSIS:**

## 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 (EC) § 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 USDE. (EC § 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. (EC § 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. (EC § 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 USDE, and requires those institutions make final accreditation documents available to the public via display in a prominent location on the institution’s website. (EC § 66014.8)
- 7) Requires certain for-profit postsecondary educational institutions to be accredited by an accrediting agency recognized by the USDE to be eligible for certain programs and to receive an approval to operate. (EC § 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 California Private Postsecondary Education Act of 2009 and oversight by the oversight by the Bureau of Private Postsecondary Education (BPPE). (EC § 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. (EC § 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. (EC § 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. (EC § 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) § 2084, BPC § 4996.18, BPC § 10153.5, BPC Section 2786.2, BPC § 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 (BOG). Specifies that the BOG 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 V of the California Code of Regulations (CCR) § 51016)

## ANALYSIS

This bill:

- 1) Provides that, for purposes of any code or statute, recognition of national or regional accreditation by the USDE as of January 1, 2025 is retained until July 1, 2029 for an accrediting agency that continues to operate in substantially the same manner as it did on January 1, 2025.
- 2) Sunsets the bill's provisions on January 1, 2030.

## Comments

*Need for this bill.* 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 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.”

*The role of accreditation and USDE.* Accreditation serves as a baseline measure of institutional quality for the education or training offered by higher education institutions. Accrediting agencies are private organizations that establish operating standards for educational or professional institutions and programs, and determine the extent to which those standards are met. While accrediting agencies set standards for institutions, the USDE establishes the general standards for accreditation agencies and recognizes those accrediting agencies that are deemed reliable authorities on education quality. Under Title IV of the federal Higher Education Act of 1965, an institution of higher education may be eligible to receive federal financial aid programs provided they meet certain standards. This includes obtaining state authorization, receiving certification from the USDE, and earning accreditation from an accrediting agency association recognized by the USDE. State law also requires accreditation as a prerequisite for public or private institutions to access certain state benefits or meet compliance requirements, such as gaining approval to operate in this state for degree-granting private institutions or qualifying for student aid programs.

*Executive order on Accreditation.* As noted in the author’s statement the Trump administration earlier this year issued an Executive Order that claims that accreditors have prioritized Diversity, Equity and Inclusion (DEI)-based requirements and governance mandates over student outcomes, and seeks to refocus accreditation on program quality, value, and lawful nondiscriminatory practices. It directs the U.S. Secretary of Education to hold accreditors who fail to meet the applicable recognition criteria or “violate federal law including by requiring institutions seeking accreditation to engage in unlawful discrimination in accreditation-related activity under the guise of diversity, equity, and inclusion initiatives.” The order applies to all accrediting agencies with specific attention placed on the American Bar Association and the Accreditation Council for Graduate Medical Education. The USDE is instructed to assess whether to suspend or terminate their recognition if warranted.

*Preserves state recognition for four years.* This bill effectively preserves California’s recognition of accrediting agencies in state law for a period of four years. It attempts to reduce disruption at the state level by ensuring that institutions accredited by an accrediting agency affected by federal changes continue to meet California statutory requirements tied to accreditation, even if USDE recognition changes. For example, an institution could retain state authorization to operate

despite being accredited by an agency that lost its USDE recognition. This relief is extended to accrediting agencies that operate in “substantially in the same manner”. However, it is unclear how the determination of whether an accreditation agency’s operations have significantly changed will be made or by who.

*The potential impact of losing federal recognition.* This bill would not shield institutions or students against federal consequences resulting from an accrediting agency’s loss of recognition, such as the loss of eligibility for federal student aid. Federal funding is tied to accreditation and losing eligibility for federal funding may create potential gaps in oversight and enforcement if institutions remain recognized under state law but no longer receive or are accountable to federal funding conditions.

**FISCAL EFFECT:** Appropriation: No Fiscal Com.: Yes Local: No

According to the Assembly Appropriations Committee analysis, this bill would have the following fiscal impact:

- By preserving access to state financial aid and other programs requiring accreditation for California institutions of higher education (IHEs) should their accrediting agency lose federal recognition, the bill creates ongoing General Fund cost pressures of an unknown but potentially significant amount, likely in the millions of dollars, each year through the 2030-31 academic year for state financial aid programs to fund the increased unmet need due to the lack of federal financial aid.

**SUPPORT:** (Verified 9/12/25)

None received

**OPPOSITION:** (Verified 9/12/25)

None received

Prepared by: Olgalilia Ramirez / ED. / (916) 651-4105  
9/12/25 18:18:23

\*\*\*\* END \*\*\*\*