



# HOUSE BILL 8: Various Statutory Changes, Sec. 3.1-3.4: Revise Higher Education Accreditation Process

2023-2024 General Assembly

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<b>Committee:</b>		<b>Date:</b>	December 4, 2023
<b>Introduced by:</b>		<b>Prepared by:</b>	Samantha Yarborough Staff Attorney
<b>Analysis of:</b>	Sec. 3.1-3.4 of S.L. 2023-132		

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**OVERVIEW:** Sections 3.1-3.4 of S.L. 2023-132 require the Board of Governors of The University of North Carolina (BOG) and the State Board of Community Colleges (SBCC) to adopt policies requiring that each constituent institution and community college (institutions) be accredited and be prohibited from receiving accreditation from the same accrediting agency for consecutive accreditation cycles. These sections also create a cause of action for institutions to bring against any individual who makes false statements to the institution's accrediting agency.

*These sections became effective September 29, 2023. The new requirements for accreditation begin with applications for accreditation submitted on or after that date.*

**CURRENT LAW:** To be eligible to receive federal financial aid funds under Title IV of the Higher Education Act (20 U.S.C. 1070 et. seq.), postsecondary institutions must be accredited by an accrediting agency or association recognized by the United States Department of Education (U.S. ED). Title IV programs include Pell Grants, direct student loans, and Perkins loans.

G.S. 115D-5(a) requires the State Board of Community Colleges (SBCC) to ensure that all community college faculty meet the standards set by the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC).

G.S. 116-280 allows students at private institutions of higher education accredited by SACSCOC or the New England Association of Schools and Colleges, or previously accredited by SACSCOC but now a member of the Transnational Association of Christian Colleges and Schools, to be eligible for need-based scholarship grants.

**BILL ANALYSIS:** Sections 3.1-3.4 of S.L. 2023-132 make the following changes to the higher education accreditation process:

**Sections 3.1 and 3.2** require the BOG and the SBCC to adopt policies requiring that each institution be accredited in accordance with the following:

- Each institution is prohibited from using the same accrediting agency for consecutive accreditation cycles.
- When choosing a new accrediting agency, an institution is required to seek accreditation from a regional accrediting agency. If no regional accrediting agency has granted candidacy status at least three years before the institution's current accreditation expires, the institution would be able to stay with its current accrediting agency for an additional accreditation cycle.
- The requirements to use a regional accrediting agency and to change accrediting agencies every accreditation cycle do not apply to any professional, graduate, departmental, or certificate program that has specific accreditation requirements, as identified by the BOG and SBCC, respectively.

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**Sections 3.1 and 3.2** also create a cause of action that allows an institution to bring a civil action against any person who makes a false statement to the institution's accrediting agency, if all of the following apply:

- If true, the statement would mean that the institution is out of compliance with the applicable accrediting standards.
- The person knew, or recklessly disregarded whether, the statement was false.
- The accrediting agency conducted a review of the institution because of the statement.
- The review caused the institution to incur costs.

If an institution is successful in suing someone under this cause of action, it is entitled to any costs related to the review conducted by the accrediting agency, reasonable attorney fees, and court costs.

**Section 3.3** requires the BOG to establish a commission to study alternatives to the current accreditation process. The BOG must invite stakeholders, including stakeholders from other states, to participate. The BOG must report to the Joint Legislative Education Oversight Committee by January 1, 2024, on its efforts to recruit stakeholders and the commission must report any findings it develops by September 1, 2024.

**Section 3.4** makes additional conforming changes that supplement or remove specific references to the SACSCOC from the General Statutes.

**EFFECTIVE DATE:** These sections became effective September 29, 2023. Sections 3.1 and 3.2 apply beginning with applications for accreditation submitted on or after that date.

**BACKGROUND:** 34 CFR § 600.11(a) states that U.S. ED does not recognize the accreditation of an institution that is changing accreditors unless the institution has reasonable cause for changing and receives U.S. ED approval to change. U.S. ED has issued guidance stating that the following factors will be considered when determining whether an institution has reasonable cause: (i) the institution's stated reason for the proposed change, (ii) whether the institution is seeking to have less oversight or rigor, or evade inquiries or sanctions, (iii) whether the change will strengthen institutional quality, (iv) whether the new accreditor's standards more closely align with the institution's mission, (v) whether the new accreditor has been subject to U.S. ED action, and (vi) whether the membership in the accreditor is voluntary.