



This Bill Analysis reflects the contents of the bill as it was presented in committee.

# SENATE BILL 680: Revise Higher Ed Accreditation Processes.

2023-2024 General Assembly

<b>Committee:</b>	Senate Education/Higher Education.	<b>Date:</b>	May 1, 2023
	favorable, re-refer to Rules and Operations of the Senate		
<b>Introduced by:</b>	Sens. Lee, Galey, Berger	<b>Prepared by:</b>	Samantha Yarborough
<b>Analysis of:</b>	First Edition		Committee Counsel

**OVERVIEW:** *Senate Bill 680 would do the following:*

- *Require constituent institutions of The University of North Carolina and community colleges to be accredited by a preferred accrediting agency identified by the Board of Governors and the State Board of Community Colleges.*
- *Prohibit those institutions from using the same accrediting agency for consecutive accreditation cycles.*
- *Create a cause of action that each institution may use when someone makes a false statement about the institution to its accrediting agency that causes the institution's accreditation to be reviewed.*
- *Make additional conforming changes.*

**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:**

Parts I & II would require the Board of Governors of The University of North Carolina (BOG) and the SBCC to adopt policies requiring that each constituent institution and community college (institutions) be accredited in accordance with the following:

- The BOG and SBCC would develop a list of preferred accrediting agencies that are recognized by the U.S. ED. An initial list would be developed and published no later than September 1, 2023.
- Each institution would be prohibited from using the same accrediting agency for consecutive accreditation cycles.

Jeffrey Hudson  
Director



Legislative Analysis  
Division  
919-733-2578

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- When choosing a new accrediting agency, an institution would be required to first seek accreditation from a preferred accrediting agency. If no preferred accrediting agency will grant accreditation, the institution would be able to seek accreditation from any accrediting agency recognized by the U.S. ED. If the institution has not been granted candidacy status by any recognized accrediting agency at least three years before its current accreditation would expire, the institution would be able to stay with its current accrediting agency for an additional accreditation cycle.
- The requirements to use a preferred accrediting agency and to change accrediting agencies every accreditation cycle would not apply to any professional, graduate, departmental, or certificate program that has specific accreditation requirements, as identified by the BOG and SBCC, respectively.

Parts I & II would also create a cause of action that would allow 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.

Part III would make additional conforming changes that remove specific references to the SACSCOC from the General Statutes.

**EFFECTIVE DATE:** Senate Bill 680 would be effective when it becomes law and would apply to 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.