A BILL TO BE ENTITLED
AN ACT TO REVISE THE ACCREDITATION PROCESS FOR CONSTITUENT INSTITUTIONS OF THE UNIVERSITY OF NORTH CAROLINA AND COMMUNITY COLLEGES, TO CREATE A CAUSE OF ACTION FOR POSTSECONDARY INSTITUTIONS DAMAGED BY FALSE STATEMENTS MADE TO ACCREDITING AGENCIES, AND TO MAKE CERTAIN CONFORMING CHANGES.

The General Assembly of North Carolina enacts:

PART I. REVISE UNC ACCREDITATION PROCESS

SECTION 1.(a) G.S. 116-11 is amended by adding a new subdivision to read:
"(3c) The Board of Governors shall adopt a policy requiring constituent institutions to be accredited in accordance with G.S. 116-11.4."

SECTION 1.(b) Article 1 of Chapter 116 of the General Statutes is amended by adding a new section to read:
"§ 116-11.4. Accreditation.
(a) Definitions. – The following definitions apply in this section:

1. Accreditation cycle. – The period of time during which a constituent institution of The University of North Carolina is accredited.

2. Accrediting agency. – An agency or association that accredits institutions of higher education.

3. Preferred accrediting agency. – An accrediting agency on the list of accrediting agencies or associations developed by the Board of Governors of The University of North Carolina pursuant to subsection (b) of this section.

4. Recognized accrediting agency. – An accrediting agency that is recognized by the United States Department of Education as a reliable authority concerning the quality of education or training offered by institutions of higher education.

(b) Preferred Accrediting Agencies. – The Board of Governors of The University of North Carolina, in consultation with the State Board of Community Colleges, shall identify and determine all accrediting agencies or associations that are best suited to serve as an accreditor for the constituent institutions. The Board of Governors shall make its determination from among the database of recognized accrediting agencies that is created and maintained by the United States Department of Education. The Board of Governors shall publish the list of preferred accrediting agencies to the constituent institutions and maintain an up-to-date version of the list on its website.

(c) Prohibit Consecutive Accreditation by the Same Accrediting Agency. – A constituent institution of The University of North Carolina shall not receive accreditation by the same
(d) Accreditation Transfer Procedure. – A constituent institution that pursues accreditation with a different accrediting agency in accordance with this section shall initially pursue accreditation with a preferred accrediting agency. If each preferred accrediting agency refuses to grant candidacy status to a constituent institution, the constituent institution shall seek accreditation from any recognized accrediting agency that is different than its current accrediting agency. If the constituent institution is not granted candidacy status by any recognized accrediting agency at least three years prior to the expiration of its current accreditation, the constituent institution may remain with its current accrediting agency for an additional accreditation cycle.

(e) Certain Programs Exempt. – The requirements of this section do not apply to professional, graduate, departmental, or certificate programs at constituent institutions that have specific accreditation requirements or best practices, including law, pharmacy, engineering, and other similarly educational programs, as identified by the Board of Governors of The University of North Carolina.

(f) Cause of Action. – A constituent institution may bring a civil action, as follows:

(1) Against any person who makes a false statement to the accrediting agency of the constituent institution, if all of the following criteria are met:
   a. The statement, if true, would mean the constituent institution is out of compliance with its accreditation standards.
   b. The person made the statement with knowledge that the statement was false or with reckless disregard as to whether it was false.
   c. The accreditation agency conducted a review of the constituent institution as a proximate result of the statement.
   d. The review caused the constituent institution to incur costs.

(2) A constituent institution that prevails on a cause of action initiated pursuant to this subsection shall be entitled to the following:
   a. Costs related to the review conducted by the accrediting agency, including the following:
      1. Additional hours worked by university personnel.
      2. Contracted services, including outside legal counsel.
      3. Travel, lodging, and food expenses.
      4. Fees required by the agency.
   b. Reasonable attorney fees.
   c. Court costs.

SECTION 1.(c) The Board of Governors of The University of North Carolina shall develop and publish to the constituent institutions an initial list of preferred accrediting agencies in accordance with G.S. 116-11.4(b), as enacted by this act, no later than September 1, 2023.

PART II. REVISE COMMUNITY COLLEGE ACCREDITATION PROCESS

SECTION 2.(a) G.S. 115D-5 is amended by adding a new subsection to read:

"(fl) The State Board shall adopt a policy requiring community colleges to be accredited in accordance with G.S. 115D-6.1."

SECTION 2.(b) Article 1 of Chapter 115D of the General Statutes is amended by adding a new section to read:

"§ 115D-6.1. Accreditation.

(a) Definitions. – The following definitions apply in this section:

(1) Accreditation cycle. – The period of time during which a community college is accredited.

(2) Accrediting agency. – An agency or association that accredits institutions of higher education."
(3) Preferred accrediting agency. – An accrediting agency on the list of accrediting agencies or associations developed by the State Board of Community Colleges pursuant to subsection (b) of this section.

(4) Recognized accrediting agency. – An accrediting agency that is recognized by the United States Department of Education as a reliable authority concerning the quality of education or training offered by institutions of higher education.

(b) Preferred Accrediting Agencies. – The State Board of Community Colleges, in consultation with the Board of Governors of The University of North Carolina, shall identify and determine all accrediting agencies or associations that are best suited to serve as an accreditor for the community colleges. The State Board shall make its determination from among the database of recognized accrediting agencies that is created and maintained by the United States Department of Education. The State Board shall publish the list of preferred accrediting agencies to the community colleges and maintain an up-to-date version of the list on its website.

(c) Prohibit Consecutive Accreditation by the Same Accrediting Agency. – A community college shall not receive accreditation by the same accrediting agency for consecutive accreditation cycles except as provided in subsection (d) of this section.

(d) Accreditation Transfer Procedure. – A community college that pursues accreditation with a different accrediting agency in accordance with this section shall initially pursue accreditation with a preferred accrediting agency. If each preferred accrediting agency refuses to grant candidacy status to a community college, the community college shall seek accreditation from any recognized accrediting agency that is different than its current accrediting agency. If the community college is not granted candidacy status by any recognized accrediting agency at least three years prior to the expiration of its current accreditation, the community college may remain with its current accrediting agency for an additional accreditation cycle.

(e) Certain Programs Exempt. – The requirements of this section do not apply to professional, departmental, or certificate programs at community colleges that have specific accreditation requirements or best practices, as identified by the State Board of Community Colleges.

(f) Cause of Action. – A community college may bring a civil action, as follows:

(1) Against any person who makes a false statement to the accrediting agency of the community college, if all of the following criteria are met:

a. The statement, if true, would mean the community college is out of compliance with its accreditation standards.

b. The person made the statement with knowledge that the statement was false or with reckless disregard as to whether it was false.

c. The accreditation agency conducted a review of the community college as a proximate result of the statement.

d. The review caused the community college to incur costs.

(2) A community college that prevails on a cause of action initiated pursuant to this subsection shall be entitled to the following:

a. Costs related to the review conducted by the accrediting agency, including for the following:

1. Additional hours worked by community college personnel.

2. Contracted services, including outside legal counsel.

3. Travel, lodging, and food expenses.

4. Fees required by the agency.

b. Reasonable attorney fees.

c. Court costs."

SECTION 2. (c) The State Board of Community Colleges shall develop and publish to the community colleges an initial list of preferred accrediting agencies in accordance with G.S. 115D-6.1(b), as enacted by this act, no later than September 1, 2023.
PART III. CONFORMING CHANGES

SECTION 3.(a) G.S. 116-201(b)(8) reads as rewritten:

"(8) "Private institution" means an institution other than a seminary, Bible school, Bible college or similar religious institution in this State that is not owned or operated by the State or any agency or political subdivision thereof, or by any combination thereof, that offers post-high school education and is accredited by the Southern Association of Colleges and Schools same agency that is the accrediting agency for at least one constituent institution of The University of North Carolina or, in the case of institutions that are not eligible to be considered for accreditation, accredited in those categories and by those nationally recognized accrediting agencies that the Authority may designate;"

SECTION 3.(b) G.S. 116-280(3) reads as rewritten:

"(3) Eligible private postsecondary institution. – A school that is any of the following:
   a. A nonprofit postsecondary educational institution with a main permanent campus located in this State that is not owned or operated by the State of North Carolina or by an agency or political subdivision of the State or by any combination thereof that satisfies all of the following:
      1. Is either (i) accredited by the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) the same agency that is the accrediting agency for at least one constituent institution of The University of North Carolina or by the New England Association of Schools and Colleges through its Commission of Higher Education or (ii) was accredited by SACSCOC the Southern Association of Colleges and Schools Commission on Colleges on January 1, 2021, and, beginning January 1, 2021, was a member of the Transnational Association of Christian Colleges and Schools.
   b. A postsecondary institution owned or operated by a hospital authority as defined in G.S. 131E-16(14) or school of nursing affiliated with a nonprofit postsecondary educational institution as defined in sub-subdivision a. of this subsection."

SECTION 3.(c) G.S. 115D-5(a) reads as rewritten:

"(a) The State Board of Community Colleges may adopt and execute such policies, regulations and standards concerning the establishment, administration, and operation of institutions as the State Board may deem necessary to insure the quality of educational programs, to promote the systematic meeting of educational needs of the State, and to provide for the equitable distribution of State and federal funds to the several institutions.

   ... 

   The State Board of Community Colleges shall require each community college to meet the faculty credential requirements of the Southern Association of Colleges and Schools its accrediting agency for all community college programs."

PART IV. EFFECTIVE DATE

SECTION 4. This act is effective when it becomes law and applies to applications for accreditation submitted by constituent institutions and community colleges on or after that date.