

Constituent Universities

Appalachian
State University

East Carolina
University

Elizabeth City
State University

Fayetteville State
University

North Carolina
Agricultural and
Technical State
University

North Carolina
Central University

North Carolina
State University
at Raleigh

University of
North Carolina
at Asheville

University of
North Carolina
at Chapel Hill

University of
North Carolina
at Charlotte

University of
North Carolina
at Greensboro

University of
North Carolina
at Pembroke

University of
North Carolina
at Wilmington

University of
North Carolina
School of the Arts

Western Carolina
University

Winston-Salem
State University

Constituent High School

North Carolina
School of Science
and Mathematics

An Equal Opportunity/
Affirmative Action Employer

Committee on Educational Planning, Policies, and Programs

RE: Charlotte School of Law – License Restrictions

DECISION

Pursuant to N.C.G.S. § 116-15, the Board of Governors is responsible for the licensure of nonpublic post-secondary degree granting institutions in North Carolina. UNC General Administration (UNC-GA) has the authority to perform compliance reviews to ensure that licensed institutions continue to meet the statutory and regulatory standards for licensure, as set forth in the *Rules and Standards for Licensing Nonpublic Institutions to Conduct Post-Secondary Degree Activity in North Carolina*. If an institution is not in compliance, the Board of Governors may, on the President's recommendation, revoke the institution's license, or may place conditions on the license until the institution coming into compliance.

The Committee on Educational Planning, Policies, and Programs has been delegated the authority and responsibility for considering recommendations from the President concerning licensure matters, and acting on behalf of the Board of Governors.

The Committee convened on June 21, 2017, to consider recommended findings and license conditions presented by President Margaret Spellings concerning the Charlotte School of Law, which has been licensed to conduct post-secondary degree activity in North Carolina since 2005. The recommendations are set forth in the attached document.

The Committee observes that the American Bar Association (ABA) has placed Charlotte School of Law (CSL) on probation for two years, beginning November 14, 2016, based on its finding that CSL is in substantial and persistent noncompliance with ABA accreditation standards 301 and 501. In response, CSL has asked the ABA to approve: (a) a plan to teach-out any remaining CSL students in anticipation of possible closure of the school; and (b) a remedial plan (which is referred to by the ABA as a "Reliable Plan") in anticipation of CSL's continued operation as an accredited law school. The U.S. Department of Education has suspended CSL's continued participation in Title IV programs. CSL has petitioned the Department of Education for reinstatement in Title IV programs, and CSL's request remains under consideration. CSL is currently under investigation by the North Carolina Department of Justice, Consumer Protection Division,

based on the division's concerns about CSL's future viability, the effects of CSL's viability on CSL students, and the Consumer Protection Division's concerns about keeping students fully informed about CSL's status.

Based on its review and consideration of the matter concerning the Charlotte School of Law, the Committee, on behalf of the Board of Governors, hereby adopts the President's recommendations, and imposes the following conditions and limitations on the Charlotte School of Law's license, pending further action and review of CSL's compliance with the Board of Governors Rules and Standards:

1. CSL shall not admit any new or additional students to CSL until such time as this condition may be removed by further action of the Board of Governors.
2. No later than August 1, 2017, and subject to item 3, below, CSL shall present to the Licensure Unit such evidence as the Licensure Unit may deem necessary to show that CSL has remedied any deficiencies and has come into full compliance with the licensure standards for which the Board has found it to be out of compliance.
3. CSL shall immediately obtain, maintain, and provide proof to the Licensure Unit of a tuition guaranty bond in an amount at least equivalent to the amount of prepaid tuition to be paid by the maximum number of students who may participate in the teach-out CSL has proposed for the ABA's consideration. The bond shall otherwise comply with Standard 10 of the Rules and Standards.
4. CSL may continue to conduct post-secondary degree activity in North Carolina at this time and on a limited basis while it develops and seeks ABA approval of an appropriate teach-out plan that fully protects the interests of CSL students who may wish to complete their CSL degree programs, and/or approval for continued operation as an accredited law school, subject to the following requirements:
 - a. CSL's plan for teaching out its remaining students and/or remedial plan for continued operation as an accredited law school, must be approved by the American Bar Association (ABA) no later than August 10, 2017; and
 - b. The Department of Education (DOE) must determine no later than August 10, 2017, that any CSL student who remains enrolled may participate in Title IV federal loan programs.
5. CSL shall keep the Licensure Unit fully informed of the progress and the status of:
 - a. The investigation of CSL by the Consumer Protection Division of the North Carolina Department of Justice;
 - b. The ABA's consideration of CSL's request to approve its teach-out plan and remedial plan; and
 - c. The Department of Education's consideration of CSL's request for reinstatement for participation in Title IV programs.

6. CSL shall promptly distribute this determination of the Board of Governors and the attached document, to:
 - a. All CSL students, including currently enrolled students, and students who have the status of "leave of absence" or "withdrawn";
 - b. The ABA;
 - c. The Department of Education; and
 - d. The North Carolina Department of Justice, Consumer Protection Division.

7. Nothing herein shall limit the Licensure Unit from conducting additional review, or the Board of Governors from taking further action, on any matter relating to CSL's operations and licensure, including without limitation such further review, recommendations, and actions as the Licensure Unit or the President may deem to be appropriate due to changes in CSL's circumstances, the development of new information, and the actions of the ABA, the Department of Education, or the North Carolina Department of Justice.

8. CSL has indicated that it believes it has the ability to remain open and become financially stable. CSL also expects that, upon the occurrence of certain financial restructuring events that it expects to consummate in the immediate future, CSL will be recertified by the U.S. Department of Education to participate in the federal Title IV student loan program. Provided that all conditions and requirements in items 1 through 6 are met, and subject to item 7, the Licensure Unit at UNC General Administration shall expeditiously review and present for the President's consideration possible actions that the Board may take to adjust or remove limitations on CSL's license.

9. Unless the Board of Governors takes further action, CSL's license shall expire on the earlier of:
 - a. The failure to meet the conditions set forth in items 1 through 4(a) and (b), above; or
 - b. May 30, 2019.

Anna Spangler Nelson

Anna S. Nelson
Chair, Committee on Educational Planning, Policy, and Programs

June 21, 2017
Date