

NUMBERED MEMO CC23-034

TO: Members of the State Board of Community Colleges, Chairs of the Community College Boards of Trustees, Community College Presidents, Chief Academic Officers, Chief Admissions Officers, Basic Skills Directors, Business Officers, Continuing Education Officers, Customized Training Directors, Chief Financial Officers, Financial Aid Officers, Personnel Directors, Student Development Administrators, Public Information Officers, Registrars, & Other Interested Parties

FROM: Tawanda Foster Artis, *NCCCS General Counsel*

SUBJECT: Proposed Amendment of 2A SBCCC 300.2 – Application for License Renewal

DATE: October 24, 2023

The State Board of Community Colleges has initiated the rulemaking process to amend **2A SBCCC 300.2 – Application for License Renewal**. The proposed amendment would allow fifteen (15) additional days for the Office of Proprietary Schools to review license renewal applications due to an increase in new applications. The proposed amendment is published on the NC Community College System's website, www.nccommunitycolleges.edu/sbcccode. For your convenience, a copy of the proposed rule, with the changes indicated, are attached to this memorandum. Strikethroughs indicate deletions of existing language and underlines indicate additions of language.

Any member of the public has the right to submit written comments on the proposed rule. Please note that any person who submits public comments on behalf of their community college should comply with their college's local process for submitting comments on a proposed rule. **Written comments on the rule must be received by no later than 5:00 p.m. on November 23, 2023.** Any member of the public has the right to request a hearing on the proposed rule. **Requests for a hearing must be received by no later than 5:00 p.m. on November 8, 2023.**

Written comments and requests for hearing shall be directed to the following address: Tawanda Foster Artis, 5001 Mail Service Center, Raleigh, NC 27699-5001 or by email to publiccomments@nccommunitycolleges.edu. Thank you for your attention to this matter.

CC23-034

E-mail Copy
Attachments



State Board of Community Colleges

Petition for Rulemaking Form

Date: October 24, 2023

Title, Chapter, Subchapter, and Rule Number of Rule Proposed to be Adopted, Amended, or Repealed	Amend 2B SBCCC 300.2 – Application for License Renewal
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Specify whether the SBCC proposes to amend, adopt, or repeal a rule:

Adopt (new rule)	Amend (change existing rule)	Repeal (delete entire rule)
	X	

Rationale for proposed adoption, amendment, or repeal:	The number of licensed proprietary schools has nearly doubled since the State Board of Proprietary Schools was established in 2011. Additional time is necessary for the Office of Proprietary Schools to review license renewal applications.
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Proposed Effective Date of Rule	February 1, 2023
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2A SBCCC 300.2 is proposed for amendment as follows:



1 **State Board of Community Colleges Code**
2 **Title 2 – PROPRIETARY SCHOOLS**

3
4 **CHAPTER A. PROPRIETARY SCHOOLS**

5
6 **SUBCHAPTER 300. LICENSURE**

7
8 **2A SBCCC 300.2 Application for License Renewal**

- 9 (a) All licenses issued shall expire on June 30.
- 10 (b) All issued licenses shall extend from July 1 through June 30, inclusive; except that
11 any license initially issued on or after April 1 shall expire on June 30 of the following
12 calendar year.
- 13 (c) Schools desiring the renewal of their license shall submit an application on or before
14 ~~March 15~~ March 1 of each year. The application shall be accompanied by the
15 following:
- 16 (1) All information required of schools applying for an initial license that has not been
17 previously submitted;
- 18 (2) For a school that has been licensed for one year but less than six years, verification
19 that the guaranty bond or alternative to the guaranty bond is in an amount equal
20 to the greatest amount of unearned paid tuition in the school's possession at any
21 time during the prior fiscal year. This verification shall be in the form of quarterly
22 reports to the President of the North Carolina Community College System
23 evaluating the amount of the guaranty bond or alternative to the guaranty bond.
24 Quarterly evaluation reports requiring an increase of five percent or more in the
25 amount of the bond held by the school must show an immediate increase in the
26 bond amount at the time of the evaluation. At the time of the school's annual
27 license renewal, the guaranty bond or alternative to the guaranty bond shall be an
28 amount equal to the greatest amount of unearned paid tuition in the school's
29 possession at any time during the prior fiscal year;
- 30 (3) Copy of current catalog containing all information required of schools applying for
31 initial license; and

- 1 (4) Any supplementary information necessary to bring information on the school up to
2 date.
- 3 (d) A certified check or money order in the amount established by the SBPS and
4 published annually under the North Carolina Proprietary School Fee Schedule made
5 payable to the North Carolina State Treasurer shall be received on or before March
6 15.
- 7 (e) Proprietary schools shall make payment to the Student Protection Fund in the amount
8 set forth in G.S. 115D-95.1. The full and timely payment into the Student Protection
9 Fund is a condition of licensure. The State Board of Community Colleges shall not
10 refund any payment to the Student Protection Fund in the event that a school's license
11 is suspended or revoked.
- 12 (f) Proprietary schools shall make adjustments to the guaranty bond or alternative to the
13 guaranty bond requirements of schools based on G.S. 115D-95. A guaranty bond or
14 alternative to the guaranty bond shall be required for license renewal for a school that
15 has been continuously licensed to operate for more than five years in the State, as
16 follows:
- 17 (1) If the balance of the Student Protection Fund in G.S. 115D-95.1 is below the
18 catastrophic loss amount, the school shall file a guaranty bond or alternative to the
19 guaranty bond in an amount equal to the maximum amount of prepaid tuition held
20 by the school during the prior fiscal year multiplied by the percentage amount the
21 fund is deficient.
- 22 (2) If the school held prepaid tuition in excess of the Student Protection Fund
23 catastrophic loss amount during the prior fiscal year, in addition to any guaranty
24 bond or alternative to a guaranty bond amount required by Subparagraph (1) of
25 this Paragraph, the school shall file a guaranty bond for the difference between the
26 prepaid tuition amount held in the previous fiscal year and the Student Protection
27 Fund catastrophic loss amount.
- 28 (g) The SBPS will tabulate the balance of the Student Protection Fund as of December
29 31 of each year and establish the percentage amounts identified in Subparagraph
30 (e)(1) of this Rule.

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*History Note: Authority G.S. 115D-89; 115D-91; 115D-92; 115D-95.1; S.L. 2009-562 s.4;
Eff. September 1, 1993;
Amended Eff. _____; [August 1, 2014](#); July 1, 2010; August 13,
2005; December 1, 2004.*

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