

**NUMBERED MEMO CC24-028**

**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:** Jonnell Carpenter, *NCCCS General Counsel*

**SUBJECT:** Temporary Amendment to 1E SBCCC 200.2 – Time Due, Deferred Payment, Failure to Pay

**DATE:** July 23, 2024

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On July 19, 2024, the State Board of Community Colleges (SBCC) temporarily amended **1E SBCCC 200.2 – Time Due, Deferred Payment, Failure to Pay** in response to the challenges faced with the FAFSA Simplification implementation. The temporary amendment would allow colleges the ability to address processing delays caused by technical and information error issues resulting from the FAFSA Simplification Act.

**The temporary amendment is effective on July 19, 2024.** The temporary amendment will expire on December 31, 2024. The State Board of Community Colleges has the authority to extend the expiration date if deemed necessary. The temporary amendment is published on the NC Community College System's website, [State Board Code - NCCCS \(ncccommunitycolleges.edu\)](https://www.ncccommunitycolleges.edu). For your convenience, a copy of the temporary amendment is attached to this memorandum. Strikethroughs indicate deletions of existing language and underlines indicate additions of language.

CC24-028

E-mail Copy  
Attachments

**STATE BOARD OF COMMUNITY COLLEGES**  
**Proposed Temporary Amendment to 1E SBCCC 200.2**

**Request:** The State Board of Community Colleges (SBCC) is requested to adopt a temporary amendment to 1E SBCCC 200.2 - Time Due, Deferred Payment, Failure to Pay, in response to challenges faced with the FAFSA Simplification implementation.

**Authority:** The State Board has the authority to amend an existing rule on a temporary basis to address unforeseen circumstances where the State Board finds that adherence to the notice and hearing requirements in the SBCC Code would be contrary to the public interest of students or other community college stakeholders. (3B SBCCC 400.1).

**Strategic Plan Reference:** Goal 2: Increase access and enrollment at North Carolina community colleges to meet the state's educational attainment goal and expand postsecondary opportunities.

**Background:** The FAFSA Simplification Act, signed into law in December 2020, aimed to overhaul and simplify the application process with fewer questions and a new, more generous Student Aid Index (SAI) formula to replace the Expected Family Contribution calculation. The FAFSA was expected to be ready by October 1, 2023; however, the release was delayed due to federal technical issues, making the FAFSA available closer to January 2024. Glitches have led to frequent submission errors, incomplete forms, and significant processing backlogs. In addition, incorrect calculation of financial information from the IRS has also presented major challenges. These complications have created a delay in processing and timely awarding for financial aid offices across North Carolina and nationwide. A June 2024 news release by the National Association of Student Financial Aid Administrators (NASFAA) outlined a recent Department of Education update that stated, "that batch institutional corrections, as well as paper FAFSA corrections, will not be available in the 'first half' of August."

**Rationale:** Community colleges across North Carolina have faced significant challenges during the 2024-25 financial aid cycle due to technical glitches and delays associated with the redesigned Free Application for Federal Student Aid (FAFSA). The FAFSA Simplification Act of 2020 aimed to make the form easier and more accessible for students; however, implementation continues to pose a challenge to colleges statewide.

In response, NCCCS staff held conversations and focus groups with financial aid officers and senior student service administrators across the System to gather ideas that could reduce barriers to enrollment and progression for the 2024-25 academic year. As a result, the following is proposed for the Fall 2024 semester:

- The State Board of Community Colleges will temporarily amend **1E SBCCC 200.2 - Time Due, Deferred Payment, Failure to Pay**. During this period of temporary amendment, colleges may adopt local rules that meet the following conditions:

- (a) Time Due. If a student registers on or before the first date of a course section, tuition, registration fees, and other fees required for enrollment are due on a specific date prescribed by the college that is on or before the ~~first~~ census date of the course section. If a student registers after the first date of the course section, tuition, registration fees, and other fees required for enrollment are due ~~at the time of the student's registration~~ on or by the census date. [ . . . ]

The State Board is requested to adopt this temporary amendment to allow colleges time to process financial aid awards, enroll students successfully, and retain students in courses beyond the traditional non-payment period. This will afford campuses the ability to address processing delays caused by technical and information error issues resulting from the FAFSA Simplification Act.

This temporary amendment is requested to be effective on the date of the State Board's approval and terminate on December 31, 2024. The State Board may extend the duration, if necessary.

**Contact**

Dr. Monty Hickman  
Executive Director of Enrollment Management

Dr. Brian S. Merritt  
Senior VP & Chief Academic Officer

1E SBCCC 200.2 is temporarily amended as follows:



1                                   **State Board of Community Colleges Code**

2                                   **TITLE 1.       COMMUNITY COLLEGES**

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4                                   **CHAPTER E.       STUDENT TUITION AND FEES**

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6                                   **SUBCHAPTER 200.       GENERAL PROVISIONS**

7  
8   **1E SBCCC 200.2   Time Due, Deferred Payment, Failure to Pay**

9   (a) Time Due. If a student registers on or before the first date of a course section, tuition,  
10       registration fees, and other fees required for enrollment are due on a specific date  
11       prescribed by the college that is on or before the ~~first~~ census date of the course  
12       section. If a student registers after the first date of the course section, tuition,  
13       registration fees, and other fees required for enrollment are due ~~at the time of the~~  
14       ~~student's registration~~ on or by the census date. A student may satisfy the requirement  
15       for payment due through one or more of the following methods:

16       (1) Directly paying the college.

17       (2) Demonstrating to the college's satisfaction that the student is eligible for financial  
18       aid or other third-party payment.

19       (3) Entering into a deferred payment plan authorized by 1E SBCCC 200.2(b).

20       (4) Providing evidence of eligibility for a tuition or registration fee waiver consistent  
21       with 1E SBCCC 800.

22       To ensure tuition receipts are deposited to the credit of the fiscal year in which the Fall  
23       academic term occurs, colleges shall begin collecting curriculum tuition payments for  
24       the Fall academic term on or after July 1 of that year.

25   (b) Deferred Payment. The college may, with approval of the board of trustees, prescribe  
26       written procedures to permit short-term deferred payment or payment in installments;  
27       provided, however, that payment in full is due by the end of the academic term. For  
28       the purposes of this section, "short term" is defined as a period that does not extend  
29       beyond the last day of the academic term.

1 (c) Failure to Pay. Unless otherwise prohibited by law, colleges may not enroll or  
2 distribute an academic credential to a student with an outstanding balance for tuition  
3 or registration fees except under the following circumstances:

4 (1) The college anticipates that the outstanding balance will be paid using pending  
5 financial aid;

6 (2) A person or organization demonstrates to the satisfaction of the college the ability  
7 to pay the outstanding obligation and guarantees in writing to pay the balance if  
8 the student fails to do so;

9 (3) A student is registered in a course section offered for the benefit of a company or  
10 agency. For the purpose of this rule, company or agency specific course sections  
11 are courses where the company pays the tuition or registration, and courses where  
12 attendance in the course section is limited to employees of the company or agency;

13 (4) A student is classified as a captive or co-opted student pursuant to 1D SBCCC  
14 700.98(a); or

15 (5) A student is registered in a course that is on a specialized course list approved by  
16 the State Board of Community Colleges and supports the organizational training  
17 needs for entities specified in G.S. 115D-5(b)(2).

18 (6) The college, in its discretion, determines that the outstanding balance is due to a  
19 COVID-19 related reason.

20 Unless otherwise prohibited by law, colleges may withhold transcripts of grades and  
21 any other service pending resolution of outstanding monetary obligations. This  
22 statement shall not be construed to prohibit a college's board of trustees from adding  
23 more stringent provisions that are allowable under law regarding outstanding  
24 monetary balances.

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26 *History Note:* Authority G.S. 115D-5; G.S. 115D-39;

27 Eff. [May 16, 2014](#);

28 Amended Eff. [February 1, 2015](#).

29 Temporary Amendment Eff. [March 19, 2020](#).

30 Temporary Amendment Repealed Eff. [April 17, 2020](#).

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1                    *Temporary Amendment Eff. [April 20, 2020](#). Temporary Amendment*  
2                    *expires October 14, 2020.*  
3                    *Temporary Amendment Eff. [October 14, 2020](#).*  
4                    *Temporary Amendment Eff. July 19, 2024. Temporary Amendment*  
5                    *expires December 31, 2024.*