



NORTH CAROLINA COMMUNITY COLLEGE SYSTEM

R. Scott Ralls, Ph.D.

President

20 April 2015

IMPORTANT INFORMATION

MEMORANDUM

TO: Members of the State Board of Proprietary Schools, North Carolina Proprietary School Directors, the Executive Director of Proprietary Schools, Members of the State Board of Community Colleges, Community College Presidents, & Other Interested Parties

FROM: Q. Shanté Martin, *NCCCS General Counsel*

RE: Proposed Amendment of 2A SBCCC 100.1 – “Definitions”

The State Board of Community Colleges (“SBCC”) has initiated the rulemaking process to amend the following rule:

2A SBCCC 100.1 – “Definitions”

The State Board of Community Colleges at the recommendation of the State Board of Proprietary Schools proposes to amend this rule because the definition of a “proprietary school” currently located in 2A SBCCC 100.1 conflicts with the statutory definition of a “proprietary school” located in N.C. Gen. Stat. § 115D-87(2). The definition for a “proprietary school” would be deleted from 2A SBCCC 100.1. **The proposed amendments are published on the NC Community College System's website, www.nccommunitycolleges.edu, under "State Board Code."** For your convenience, a copy of the proposed rule, with the changes indicated, is attached to this memorandum. Please post a copy of the proposed rule in prominent places so that all individuals affected by the proposed changes will be informed.

Any member of the public has the right to submit written comments on the proposed rules. **Written comments on the rules must be received by no later than 5:00 p.m. on May 20, 2015.** Any member of the public has the right to request a hearing on the proposed rules. **Requests for a hearing must be received by no later than 5:00 p.m. on May 5, 2015.** Written comments and requests for hearing shall be directed to the following address: Q. Shanté Martin, 200 W. Jones Street, 5001 Mail Service Center, Raleigh, NC 27699-5001 or by email to publiccomments@nccommunitycolleges.edu. Thank you for your attention to this matter.

**CC15-015
E-mail Copy**

Attachments



State Board of Community Colleges Code

Notice of Proposed Rulemaking Form

Date: 20 April 2015

Title, Chapter, Subchapter, and Rule Number of Rule Proposed to be Adopted, Amended, or Repealed	Amend 2A SBCCC 100.1 – “Definitions”
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Specify whether the SBCC proposes to adopt amend, or repeal a rule:

Adopt (new rule)	Amend (change existing rule)	Repeal (delete entire rule)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Rationale for proposed adoption, amendment or repeal:	The State Board of Community Colleges at the recommendation of the State Board of Proprietary Schools proposes to amend this rule because the definition of a “proprietary school” currently located in 2A SBCCC 100.1 conflicts with the statutory definition of a “proprietary school” located in N.C. Gen. Stat. § 115D-87(2). The definition for a “proprietary school” would be deleted from 2A SBCCC 100.1.
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Proposed Effective Date of Rule	August 1, 2015
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32 being completely depleted. The reserve amount is five hundred thousand dollars (\$500,000).

33 ~~(8)~~(7) “Sale” - a change in ownership resulting in a new owner having ownership interest
34 in greater than 50% of the company’s stock or assets. For the purposes of this Chapter, a
35 sale does not include:

36 (A) a transfer of the entire portion of the owner’s ownership interest and control to a
37 member of the owner’s family (whether or not the family member works at the school)
38 that includes parent, stepparent, sibling, step-sibling, spouse, child or stepchild,
39 grandchild or step-grandchild; spouse’s parent or stepparent, spouse’s sibling or step-
40 sibling, spouse’s child or stepchild, spouse’s grandchild or step-grandchild; child’s
41 spouse, and sibling’s spouse; or

42 (B) a transfer of the entire portion of the owner’s ownership interest and control, upon the
43 retirement or death of the owner, to a person (who is not a family member) with an
44 ownership interest in the school who has been involved in management of the school
45 for at least two years preceding the transfer, and who has established and retained the
46 ownership interest for at least two years prior to the transfer.

47 ~~(9)~~(8) “SBPS” – the abbreviation for State Board of Proprietary Schools.

48 ~~(10)~~(9) “Student Protection Fund” is a statewide fee-supported fund. The Student
49 Protection Fund is further defined in Subchapter 500 of this Chapter.

50 ~~(11)~~(10) “Users” as stated in G.S. 115D-88(4a) - employees or agents of purchasers.

51
52 *History Note: Authority G.S. 115D-88; 115D-89; 115D-90; 115D-91; 115D-92; 115D-95.1;*

53 *Eff. September 1, 1993;*

54 *Amended Eff. August 1, 2015; August 1, 2014; July 1, 2010; August 13, 2005;*

55 *December 1, 2004.*