

NUMBERED MEMO CC24-003

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: Amendment to 2A SBCCC 300.2 – Application for License Renewal

DATE: January 23, 2024

On January 19, 2024, the State Board of Community Colleges voted to amend State Board Code, **2A SBCCC 300.2 – Application for License Renewal**. This amendment allows fifteen (15) additional days for the Office of Proprietary Schools to review license renewal applications. This change aligns with the recent amendment to 2A SBCCC 300.6.

The amendment will be effective February 1, 2024. The new rule will be published in the North Carolina Community College System’s website, <http://www.nccommunitycolleges.edu/SBCCCCode>. For your convenience, a copy of the code in its final form is attached to this memorandum.

CC24-003

E-mail Copy
Attachments

State Board of Community Colleges Code
Title 2 – PROPRIETARY SCHOOLS
CHAPTER A. PROPRIETARY SCHOOLS



SUBCHAPTER 300. LICENSURE

2A SBCCC 300.2 Application for License Renewal

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

- (d) A certified check or money order in the amount established by the SBPS and published annually under the North Carolina Proprietary School Fee Schedule made payable to the North Carolina State Treasurer shall be received on or before March 1.
- (e) Proprietary schools shall make payment to the Student Protection Fund in the amount set forth in G.S. 115D-95.1. The full and timely payment into the Student Protection Fund is a condition of licensure. The State Board of Community Colleges shall not refund any payment to the Student Protection Fund in the event that a school's license is suspended or revoked.
- (f) Proprietary schools shall make adjustments to the guaranty bond or alternative to the guaranty bond requirements of schools based on G.S. 115D-95. A guaranty bond or alternative to the guaranty bond shall be required for license renewal for a school that has been continuously licensed to operate for more than five years in the State, as follows:
- (1) If the balance of the Student Protection Fund in G.S. 115D-95.1 is below the catastrophic loss amount, the school shall file a guaranty bond or alternative to the guaranty bond in an amount equal to the maximum amount of prepaid tuition held by the school during the prior fiscal year multiplied by the percentage amount the fund is deficient.
 - (2) If the school held prepaid tuition in excess of the Student Protection Fund catastrophic loss amount during the prior fiscal year, in addition to any guaranty bond or alternative to a guaranty bond amount required by Subparagraph (1) of this Paragraph, the school shall file a guaranty bond for the difference between the prepaid tuition amount held in the previous fiscal year and the Student Protection Fund catastrophic loss amount.
- (g) The SBPS will tabulate the balance of the Student Protection Fund as of December 31 of each year and establish the percentage amounts identified in Subparagraph (e)(1) of this Rule.

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. [February 1, 2024](#); [August 1, 2014](#); July 1, 2010; August 13, 2005; December 1, 2004.