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# Proprietary School License Guidelines and Regulations Manual

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**North Carolina Community College System  
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President**

**PROPRIETARY SCHOOL LICENSING AND RESOURCE DEVELOPMENT**

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## Authorization

The General Statutes of the State of North Carolina specify that the powers and duties of the State Board of Community Colleges include regulatory authority to issue to certain proprietary schools its licenses to conduct certificate or diploma program activity in North Carolina. The statute pertaining to such licensing, Article 8, is reproduced in this manual as Appendix A. An Administrative Code contains the rules based upon this statute and is found in Appendix B.

## Purpose

The purpose of the rules and standards relating to the issuance of licenses to offer certificate and/or diploma programs is to assure prospective and enrolled students and citizens of North Carolina that proprietary schools operating in North Carolina meet minimum standards of quality in their operation.

## Definitions

The following terms are defined as used in these guidelines and regulations.

**A. “Correspondence school”** An educational institution privately owned and operated by an owner, partnership or corporation conducted for the purpose of providing, by correspondence, for a consideration, profit, or tuition, systematic instruction in any field or teaches or instructs in any subject area through the medium of correspondence between the student and the school, usually through printed or typewritten matter sent by the school and written responses by the student.

**B. “Persons”** Any individual, association, partnership or corporation, and includes any receiver, referee, trustee, executor, or administrator as well as a natural person.

**C. “Proprietary business school” or “business school”** An educational institution that (i) is privately owned and operated by an owner, partnership or corporation, and (ii) offers business and office related courses for which tuition is charged, in business or office related subjects or subjects of general education when they contribute value to the objective of the course of study. If a school offers classes in more than one county, the school’s operations in each such county shall constitute a separate school, as defined in this subdivision.

**D. “Proprietary trade school” or “trade school”** An educational institution that (i) is privately owned and operated by an owner, partnership or corporation, and (ii) offers classes conducted for the purpose of teaching, for profit or for a tuition charge, any trade, mechanical or industrial occupation or teaching any or several of the subjects needed to train youths or adults in the skills, knowledge and subjects, related industrial information, and job judgment, necessary for success in one or more skilled trades, industrial occupations or related occupations. If a school offers classes in more than one county, the school’s operations in each such county shall constitute a separate school, as defined in this subdivision.

**E. “Proprietary technical school,” “technical school,” “proprietary technical institute,” or “technical institute”** An educational institution that (i) is privately owned and operated by an owner, partnership or corporation, and (ii) offers classes conducted for the purpose

of teaching, for profit or for a tuition charge, any technical occupation or teaching any or several of the subjects needed to train youths or adults in the skills, technical knowledge and subjects, related information, and job judgment, necessary for success in one or more than one county, the school's operations in each such county shall constitute a separate school, as defined in this subdivision.

**F. "Credit Hours"**

(a) Credit of one semester hour is awarded for each 16 hours of "class work." Class work is lecture and other classroom instruction. Class work is under the supervision of an instructor.

(b) Credit of one semester hour is awarded for each 32 hours of "experiential laboratory work." Experiential laboratory work means instruction given to a student by an instructor to increase the student's knowledge and skills without immediate student application.

(c) Credit of one semester hour is awarded for each 48 hours of "faculty directed laboratory work." Faculty directed laboratory involves structured and coordinated demonstration by an instructor with immediate student application.

(d) Credit of one semester hour is awarded for each 48 hours of "clinical practice." Clinical practice is a structured, faculty-directed learning experience in a health sciences program which develops job proficiency. Clinical practice requires significant preparation, coordination, and scheduling by the faculty and is under the supervision of an instructor or preceptor who is qualified for the particular program.

(e) Credit of one semester hour is awarded for each 160 hours of "work experience" such as cooperative education, practicums, and internships. Work experience involves the development of job skills by providing the student with employment that is directly related to, and coordinated with, the educational program. Student activity in work experience is planned and coordinated by a college representative, and the employer is responsible for the control and supervision of the student on the job.

**Regular License**

No person shall operate, conduct or maintain or offer to operate in this State a proprietary trade school, proprietary technical school, proprietary business school, or correspondence school, unless a license is first secured from the State Board of Community Colleges granted in accordance with the provisions of Article 8 and the rules adopted by the Board under the authority of G.S. 115D-89. The license, when issued, shall constitute the formal acceptance by the Board of the educational programs and facilities of each school

## Licensing Process

### The licensing process consists of six steps:

- (I) Inquiry, (II) Preliminary Application, (III) Application, (IV) Site Visit, (V) North Carolina State Board of Community Colleges Approval, and (VI) Auditing.

### I. Inquiry

- A. The Office of Proprietary Schools receives a telephone call, email, or letter from a prospective applicant. Based on the information received through this correspondence, the status of the inquiry is determined.
- B. Using G.S. 115D, Article 8 and Title 23 NCAC 3A as guidelines, the status of the inquiry is determined as one of the following:
1. Licensable Activity
  2. Exempt Activity (Attachment A defines eight exemption conditions. An exemption letter is issued only in response to a written request and submission of evidence to document exempt status.)
  3. If another authority is responsible for licensing a school, referral will be made to one of the following:
    - Division of Motor Vehicles, Department of Enforcement/Carrier Section – Truck Driving Schools **Contact:** Will Williamson (919) 861-3319;
    - Division of Facility Services – Nurse Aide I Programs **Contact:** Hazel Slocumb (919) 733-2786
    - N.C. Board of Barber Examiners – Barber Schools **Contact:** Kelly Braam (919) 981-5210
    - N.C. Board of Cosmetic Art Examiners – Beauty Schools **Contact:** Stephanie Shore (919) 733-4117
    - N.C. Board of Nursing – Nurse Aide II and Nursing Programs **Contact:** Director of Education and Practice (919) 782-3211 x245
    - UNC Board of Governors – Degree Granting Program **Contact:** Dr. Michelle Howard-Vital (919) 962-4558
    - N.C. Board of Massage & BodyWork Therapy – Regulates Massage and BodyWork Therapy Programs **Contact:** Charles Wilkins (919) 546-0050
    - N.C. Real Estate Commission – Approves Real Estate License Schools **Contact:** Penny Childress or Larry Outlaw (919) 875-3700
    - Mediated Settlement Administration: Dispute Resolution Commission - Approves Mediation Training Programs. **Contact:** Leslie C. Ratliff (919) 981-5077

- C. The Office of Proprietary Schools mails an Inquiry Information Packet to the inquirer. The Inquiry Information Packet includes general information about the licensing process, regulations and standards. The components are as follows:
1. Licensing Process overview
  2. Application Guidelines
  3. Exemptions (Attachment A)
  4. Guidelines for Computing Bond and Certificate of Deposit (Attachment B)
  5. Preliminary Application (Attachment C)

## II. Preliminary Application

- A. The applicant must submit the Preliminary Application to the NCCCS, Proprietary Schools Office. The Preliminary Application is enclosed in the Inquiry Information Packet, and it requires the following information:
1. Name of school
  2. Proposed school location
  3. School Director's qualifications (resume and transcripts)
  4. Description of facilities (floor plan)
  5. Courses to be offered
  6. Financial resources available to equip and maintain school
  7. Need for school (including employment opportunity information)
  8. List of similar schools/programs
  9. List of national experts
  10. List of accrediting bodies
- The State Board may request other state occupational licensing or approving bodies to approve the adequacy of programs, equipment, and personnel during the Preliminary Application phase.
- B. The Preliminary Application is reviewed by the Office of Proprietary Schools Licensing staff.
- C. Upon review of the Preliminary Application, recommendation may be made that an initial application must be submitted. A response letter is sent to the applicant, indicating licensable activity and enclosing the initial application materials.

## III. Initial Application Submission and Review

- A. When preparing the initial application for submission, remember the following:
1. A **complete application** must include all of the items listed in the Application Guidelines. An incomplete application will not be processed.
  2. A checklist of the items is included in the Initial License Application Forms Packet. **Use the checklist to organize a three-ring binder with labeled dividers for each section in the same order as the checklist. Place appropriate documentation in each section. THE CHECKLIST MUST BE INCLUDED WITH THE SUBMITTED APPLICATION PACKET.**
  3. Submit the **original** of the complete application **and retain one (1) copy** for your records.

- B. The Proprietary Schools Office Staff will complete a preliminary assessment of the application. The staff reviews the application to determine if all required information is included. If the application is incomplete, the applicant will be notified within 10 working days. Incomplete applications **will not** be accepted.
- C. A curriculum specialist will review the application to evaluate program quality as set by state and national standards. The curriculum specialist recommends approval or disapproval of the curriculum.

#### **IV. Site Visit**

- A. All components of the application package must be completed, reviewed and approved prior to scheduling a site visit.
- B. The site visit will be conducted by Office of Proprietary Schools Licensing staff.
- C. All original documents submitted with the application must be on site for review. The physical facility must comply with ADA standards.
- D. Expect the site visit to be scheduled following submission of the **completed** application. Incomplete and/or inaccurate information can significantly delay the normal processing time.

#### **V. Recommendation to the State Board of Community Colleges**

- A. The State Board meets the third Friday of each month, with committee meetings scheduled Thursday afternoon. Generally the State Board does not meet in July or December.
- B. Recommendations are presented to the Board in a **two-step process** (2 months minimum). The steps are:
  - 1. Future Action items are reviewed at the first month's meeting, and
  - 2. Action items are reviewed at the second month's meeting. (The agenda item must be prepared and submitted at least three weeks in advance of the Board meeting date.)

#### **VI. Auditing Process**

- A. Newly licensed proprietary schools will be audited annually for their first three years of operation as a licensed school. After three years of continuous licensure as a proprietary school, the school will be classified as an existing school and will be audited according to the schedule for existing schools.
- B. Existing schools are any schools that have been in operation as a licensed proprietary school for at least three consecutive years. If, for any reason, an existing school experiences a lapse in licensure for more than one licensing year, the school will be considered a new school for the purpose of conducting audits and will be audited according to the schedule for new schools. If a school experiences a change in ownership, it will be considered a new school.
- C. Certain circumstances may trigger an additional audit of a proprietary school. These circumstances may include, but are not limited to, the following:

1. System staff receives complaints from students and/or staff members at a school. Licensed schools receive a copy of procedures established to handle complaints submitted to the Office of Proprietary School Licensing and Services. Guidelines and forms are also available on the web site.
2. The school has a significant turnover in administrative staff.
3. Evidence of financial instability at a school.
4. The school has a cohort default rate on federal student loans, which places the school in jeopardy of losing eligibility to participate in Federal loan programs.
5. Request from the Director of Proprietary School Licensing and Services.
6. Other state agencies or accrediting bodies associated with the school receive complaints about the school and request a program audit of the school.

### **Procedures for Seeking Licensure for New Program Activity**

Any license issued shall be restricted to the programs of instruction or courses or subjects specifically indicated in the application for a license. The holder of a license shall present a supplementary application\* as may be directed by the President of the Community College System for approval of additional programs of instruction, courses, or subjects, in which it is desired to offer instruction during the effective period of the license. **\* Use the *Proposed Program Changes* form, found in the Application Forms Packet or the Changes and Additions Forms Packet, as the supplementary application. (See Appendix D for a listing of all fees approved by the North Carolina General Assembly, August, 2005)**

### **Denial and Revocation of Licensure**

The State Board, acting by and through the President of the Community College System, shall have the power to refuse to issue or renew any such license and to suspend or revoke any such license theretofore issued in case it finds one or more of the following:

- A. That the applicant for or holder of such a license has violated any of the provisions of Article 8 or any of the rules promulgated thereunder.
- B. That the applicant for or holder of such a license has knowingly presented to the State Board of Community Colleges false or misleading information relating to approval or license.
- C. That the applicant for or holder of such a license has failed or refused to permit authorized representatives of the State Board of Community Colleges to inspect the school, or has refused to make available to them at any time upon request full information pertaining to matters within the purview of the State Board of Community Colleges under the provisions of Article 8.
- D. That the applicant for or holder of such a license has perpetrated or committed fraud or deceit in advertising the school or in presenting to the prospective students written or oral information relating to the school, to employment opportunities, or to opportunities for enrollment in other institutions upon completion of the instruction offered in the school.
- E. That the applicant or licensee has pleaded guilty, entered a plea of nolo contendere or has been found guilty of a crime involving moral turpitude by a judge or jury in any state or federal court.

- F. That the applicant or licensee has failed to provide or maintain premises, equipment or conditions which are adequate, safe and sanitary, in accordance with such standards of the State of North Carolina or any of its political subdivisions, as are applicable to such premises and equipment.
- G. That the licensee is employing teachers, supervisors or administrators who have not been approved by the State Board, acting by and through the President of the Community College System.
- H. That the licensee has failed to provide and maintain adequate premises, equipment, materials or supplies, or has exceeded the maximum enrollment for which the school or class was licensed.
- I. That the licensee has failed to provide and maintain adequate standards of instruction or an adequate and qualified administrative, supervisory or teaching staff.

### **Exemptions**

It is the purpose of Article 8 to include all private schools operated for profit: provided, that the following schools shall be exempt from the provisions of Article 8:

- A. Nonprofit schools conducted by bona fide eleemosynary or religious institutions.
- B. Schools maintained or classes conducted by employers for their own employees where no fee or tuition is charged to the student.
- C. Courses of instruction given by any fraternal society, civic club, or benevolent order, which courses are not operated for profit.
- D. Any school for which there is another legally existing licensing or approving board or agency in this State.
- E. Classes or schools that are equipment-specific to purchasers, users, classes, or schools offering training or instruction to acquaint purchasers or users with equipment capabilities.
- F. Classes or schools that are taught or coached in homes or elsewhere to five or fewer students.
- G. Classes or schools that the State Board, acting by and through the President of the Community College System, determines are avocational, recreational, self-improvement, or continuing education for already trained and occupationally qualified individuals.
- H. Any established university, professional, or liberal arts college, public or private school regulated or recognized pursuant to Chapter 115C of the General Statutes or by any other State Agency, or any State institution which has heretofore offered, or which may hereinafter offer one or more courses covered in Article 8: Provided, that the tuition fees and charges, if any, made by such university, college, high school, or State institution shall be collected by their regular officers in accordance with the rules prescribed by the board of trustees or governing body of such university, college, high school, or State institution; but provisions of the Article shall apply to all business schools, proprietary trade schools, proprietary technical schools, or correspondence schools, as defined in Article 8, and operated within the State of North Carolina as such institutions, except schools for which there are other legally existing licensing boards or agencies.

## Application Guidelines

This section lists the specific components that must be present in a complete initial Proprietary School License Application. As mentioned in the Licensing Process section, final application materials will be sent upon approval of the Preliminary Application. The purpose of this section is to give you an idea of what the application process entails.

The application process is a lengthy, extensive process, which must be taken seriously. Each of the following guidelines must be completed. If any component is missing from the final application, the application **will not** be processed.

### I. Application Fee

For an initial license, a certified check or money order in the amount of two thousand five hundred dollars (\$2500.00) made payable to the North Carolina State Treasurer is required. (See Appendix D for a listing of all fees approved by the North Carolina General Assembly, August, 2005)

### II. Application for Initial License Form

A. This form is located in the Initial License Application Forms Packet. Fill it out completely.

B. Credit Hour Measurement – Should you desire to establish, as part of your licensing file, that your institution is legally authorized to measure programs in credit hours, please complete and return the *Application to Measure Programs in Credit Hours* form in your Initial License Application Forms Packet. If you do not want to apply for credit hour measurement authorization, please return the form marked “Application not requested at this time.”

1. If you are applying for credit hour measurement, your Catalog must include a definition of the credit hour you are using and calendar and class schedules that support the definition.
2. A copy of Rule 23 NCAC 1A.0101 (1)-(4) can be found in Appendix C, for your information. If you apply for credit hour measurement, your definition, calendar and class schedule must be in conformity with this rule.
3. Schools may measure instruction on a clock-hour or credit hour basis. The catalog shall provide a clear definition of the method used. The school catalog must show the number of clock hours or credit hours for each subject offered and the minimum hours or credit hours a student must carry for full-time enrollment. Courses offered on a credit hour basis must show class hours, laboratory hours, and credit hours.
4. This process is being provided for the convenience of those schools participating in federal financial assistance programs and is not a requirement of North Carolina law or regulations. No school is under obligation to complete this form.

### III. Current Catalog (with appropriate forms)

A. Submit a copy of the school’s catalog, which shall be in published form and certified by an authorized official of the school as being current, true, and correct in content and policy. A catalog that is in a published form is one that can and shall be given to students as a hardcopy at the time of their admission.

Catalogs should be dated and identified with volume and number indicated on the front page. The catalog should be formatted as a complete document with pagination. Complete and attach to the catalog the *Checklist for School Catalog* form found in the Initial License Application Forms Packet. This form shows that the catalog addresses each of the following items:

1. Identifying data, including volume numbers and date of publication.
  2. Names of the institution and its governing body, officials and faculty.
  3. A calendar of the institution showing legal holidays, beginning and ending date of each quarter, term or semester, and other important dates.
  4. Institution's policy and regulations relative to leave, absences, class cuts, make-up work, tardiness and interruptions for unsatisfactory attendance.
  5. Institution's policy and regulations on enrollment with respect to enrollment dates and specific entrance requirements for each course.
  6. Institution's policy and regulations relative to standards of progress required of the student by the institution. This policy will define:
    - a. The grading system of the institution;
    - b. The minimum grades considered satisfactory;
    - c. Conditions for interruption for unsatisfactory grades or progress and description of the probationary period, if any, allowed by the institution;
    - d. And conditions of reenrance for those students dismissed for unsatisfactory progress.A statement will be made regarding progress records kept by the institution and furnished to the student.
  7. Institution's policy and regulations relating to student conduct and conditions for dismissal for unsatisfactory conduct.
  8. Detailed schedule for fees, charges for tuition, books, supplies, tools, student activities, laboratory fees, service charges, rentals, deposits, and all other charges.
  9. Policy and regulations of the institution relative to the refund of the unused portion of tuition, fees and other charges in the event the student does not enter the course or withdraws or is discontinued therefrom. Refund policy must be consistent with 23 NCAC 03A .0113, Student Refund, found in Appendix B of the License Guidelines and Regulations Manual.
  10. A description of the available space, facilities and equipment.
  11. A course outline for each course for which approval is requested, showing:
    - a. Subjects or units in the course,
    - b. Type of skill to be learned, and
    - c. Approximate (i) time, (ii) clock hours, and (iii) credit hours or credit hours equivalent, as appropriate, to be spent on each subject or unit.
  12. Policy and regulations of the institution relative to granting credit for previous educational training.
- B. Complete and submit the *Catalog Certification* form found in the Initial License Application Forms Packet.

#### **IV. Curriculum Design and Implementation Plan**

- A. Requirements for proposed proprietary school curriculum programs are described below. Please prepare the curriculum model to include all the

specified information for each item. Be succinct and provide information that thoroughly supports the application. Use the *Curriculum Design and Implementation Plan* form and corresponding attachments (in Initial License Application Forms Packet) as indicated for each item.

**1. Curriculum Design**

- a. List the major job competencies the curriculum is designed to offer. Job competencies are statements that describe the performance skills and level of skills that a person would normally be expected to achieve in order to perform the tasks or duties of the jobs identified for the curriculum. If the curriculum is a multi-level or multi-credential program, list job competencies for each level.
- b. Prepare a catalog description that briefly describes the training program including statements concerning the purpose of the curriculum, subject areas or types of courses offered, sample job titles, sources of employment, and special features associated with the curriculum. The description should be appropriate for communicating with prospective students and employers.
- c. Prepare a curriculum model that shows the sequence of courses by modules, terms, quarters, etc., the contact hours by categories (class/lecture, lab, shop/clinical/work experience), and the credit hours. Prepare course descriptions for each course, and list prerequisites and co-requisites and course objectives. *(Use Attachments A-C in Initial License Application Forms Packet)*

**2. Resources: Faculty, Equipment, and Facilities** *(Attachments D-F in Initial License Application Forms Packet)*

- a. Indicate faculty credentials (education and/or experience) and the number of faculty needed to support the program.
- b. Provide information on equipment that will be required to provide the instruction in this curriculum. List and describe existing resources and prepare a detailed list of major equipment with costs for new equipment to be purchased. Indicate when these items are to be purchased and what resources are available to make such procurement.
- c. Provide a description of the type of facilities that will be needed, determine what is currently available, and prepare a plan for development or acquisition of additional facilities. The source of funding for development of new facilities should be specified. The facilities should be appropriate to the type of instruction required by the proposed curriculum and should be adequate to accommodate the projected number of students. The institution should have such facilities or should demonstrate how they will be acquired.

**3. Affiliation Requirements with Other Agencies or Institutions**

Other agencies or institutions that may provide various types of instructional services, facilities, or other resources for this program should be identified and arrangements should be made in order to assure that students receive the necessary instruction to be prepared for jobs. Information on these arrangements should be included with a copy of the arrangement.

**4. *Special Admissions Requirements***

Specify special admission requirements for this curriculum.

**5. *Special Certification Requirements***

Specify special accreditation, certification, licensure, or other requirements, which program graduates may be expected to have completed prior to entering the job market.

**6. *Other Accreditation***

Provide information required for entry into the job market, such as program accreditation, certification and/or licensure of graduates to obtain employment. Furnish detailed information regarding the certification or other requirements and the time frame involved in obtaining program approval.

**B. The following guidelines should be considered when developing the Curriculum Design and Implementation Plan:**

1. A school licensed under G.S. 115D, Article 8, shall limit its offering in certificate, diploma and degree courses and special subjects to the courses and subjects for which it has been licensed to offer (*degree programs are licensed by the University of North Carolina Board of Governors*). At the beginning of each quarter, each school shall post the schedule of subjects being offered during the quarter. This schedule will show the time and teacher for each subject and designate the room in which the subject will be taught. Each student shall be given a written schedule of classes at the beginning of each quarter to show the student's individual schedule.
2. Schools shall not publish in their catalogues courses which they have not been licensed to offer. When a school is licensed to offer a course and enrolls students in the course, the school shall maintain sufficient and qualified faculty to teach all subjects required for completing the course during the time stipulated in the school's bulletin as the required time to complete the course and shall schedule classes so that the students will be able to receive instruction in all subjects for the number of instructional hours as advertised in the school's bulletin under which the students enrolled. When a school previously licensed to offer a course fails to maintain the qualifications for continuing the course, the course shall be removed from the catalogue or stamped "not offered."
3. The number of curricula offered by a school shall be realistic in relationship to faculty and student enrollment. As a general rule, the number of curricula offered shall not exceed the number of faculty employed on a full-time basis.
4. The school shall arrange its calendar one calendar year in advance and give full information to prospective and enrolled students about holidays; beginning and ending dates of each quarter, term or semester; and other important dates.
5. Schools may measure instruction on a clock-hour or credit hour basis. The catalogue shall provide a clear definition of the method used. The school catalogue must show the number of clock hours or credit hours for each subject offered and the minimum clock hours or credit hours a student must carry for full-time enrollment. Courses offered on a credit hour basis must show class hours, laboratory hours, and credit hours.

6. The ratio between student and instructor shall be reasonable at all times and in keeping with generally accepted delivery modes, including technology and course content.
7. Class period shall be a minimum of 50 minutes net instruction.
8. Certificates, diplomas and degrees shall be issued only upon completion of a standard diploma or degree course.
9. Students enrolled in diploma or degree programs shall not be enrolled except at the beginning of each quarter or term.

**V. Copy of Corporate Charter, Limited Liability Partnership, or Registration of Company Name (filed with Secretary of State's Office)**

**VI. Daily Schedule of Classes (Night and Day Classes)**

**VII. School Floor Plan**

The school floor plan must clearly show the following:

1. Doors, windows, halls, and seating arrangement
2. Offices, rest rooms, and storage space
3. Size and seating capacity of each classroom and lab
4. Lighting, showing kind and intensity, of each room
5. The type of heating and cooling system used for space occupied

**VIII. Copy of Lease, Deed, or Other Certificate of Right of Occupancy**

**IX. List of Equipment and Furniture to be Used**

- A. The equipment, supplies and instructional materials of the school must be satisfactory and adequate in type, quality, and amount, and must be suitable for satisfactory use in administering the course or courses of instruction.
- B. Include, with the list, the lease, bill of sale, purchase orders, or other documents showing these items to be in place.

**X. List of Textbooks and Other Items to be Purchased by or Issued to the Student and Current Cost of Each**

- A. Attachment G in Initial License Application Forms Packet – Textbooks
- C. Attachment H in Initial License Application Forms Packet – Other Items

**XI. Instructor Information**

- A. The Office of Proprietary School Licensing and Services must receive an application for approval to work in a licensed proprietary business, trade, or technical school for each individual. For the initial application use the **Administration and Faculty Personnel Report** (previously named the Personnel Information Form) found in the Initial License Application Forms Packet for all beginning personnel. This form must be completed for all **administration and instructor personnel** who will be active in the operation of the school, either in full- or part-time capacity. Include a copy of the individual's official transcripts. **NOTE: Do not include clerical staff in this report. Approvals of additions to staff must be made in writing on school**

**letterhead and must include a completed Administration and Faculty Personnel Report with accompanying transcripts or certifications (use the Changes and Addition Forms Packet).**

- B. A *teacher* must be found to be qualified by education and experience background and must meet the following qualifications as minimum requirements:
  - 1. Be a person of good moral character;
  - 2. Be at least 18 years of age;
  - 3. Be a graduate of an accredited college or university and hold an associate degree that is recognized by the U.S. Department of Education or meet the requirements of other occupational licensing or approval bodies requested to approve instructor adequacy.
- C. The following rules apply to *administration*:
  - 1. One person must be designated as the director of the school or branch thereof. The director must be qualified in accordance with the requirements listed in paragraph 3 of this rule.
  - 2. The *director* or *administrator* is defined to be a person directly responsible for the school program, the methods of instruction, the employment of teachers, the advertising used, and the maintenance of proper administrative records and all other procedures related to the administration of the school or class.
  - 3. The director or administrator must have the following qualifications:
    - a. Be a person of good moral character;
    - b. Be a graduate of an accredited college or university accredited by an agency that is recognized by the U.S. Department of Education;
    - c. Have the experience, competency, and capacity to lead the school.
  - 4. Directors and administrators who possess qualifications which are equivalent to the requirements prescribed herein for directors may be approved individually by the North Carolina State Board of Community Colleges.

**XII. Proposed Operating Budget and a Financial/Business Plan**

- A. A school licensed under G.S. 115D, Article 8, shall have sufficient finances to establish and carry out a program of education on a continuing basis.
- B. Given the anticipated start-up costs and projected on-going cost, describe the school's plan for obtaining necessary funds to initiate and maintain a viable program over a three-year period. Indicate sources of revenue equivalent to the summary of costs that will be used to support the proposed program.
- C. The North Carolina Community College System may request a credit report

**XIII. Audited Financial Statement**

- A. The application must include an Audited Financial Statement with an accompanying opinion by an accountant or lending institution.
- B. If the school has operated less than one year, the most current financial statement will suffice.
- C. The financial statement must conform to generally accepted accounting principles.

**XIV. Credit Report**

Will be obtained by the system office if deemed necessary.

**XV. Inspection of Premises**

- A. After the application package has been approved, a site visit will be scheduled. At this time the physical facility will be inspected for compliance with ADA standards.
- B. The school plant, premises, and facilities must be adequate, safe, and sanitary and must be in compliance with the statutory provisions and the rules and regulations of all local ordinances pertaining to fire, health, safety, and sanitation.
- C. Equipment, supplies and instructional materials must also meet all requirements of statutory provisions and local ordinances, and rules and regulations adopted thereunder in regard to fire, health, safety, and sanitation.
- D. In addition, the following items will be validated:**
  - 1. Copies of current fire and health inspection reports.
  - 2. Application and enrollment agreement.
  - 3. Method of recording attendance, grades and conduct, tuition payments, individual records of personnel, financial records, and advertising, refund policy.
  - 4. If the school or parent school has already been existence in North Carolina or another state, provide copies of all advertising in all media for the twelve months preceding the date of application. If available, provide copies of planned future advertisements. The following rules apply to advertising:
    - a. A licensed school shall not advertise through any media that it offers courses that the school has not been licensed to offer.
    - b. Printed catalogues, bulletins, or prospectus information must be specific with respect to prerequisite training required for admission to the school courses, the curricula, the contents of courses, graduation requirements, tuition and other fees, refunds and allowances for withdrawals and unavoidable or extended absences.
    - c. Schools shall not use any name, title, or other designation, by way of advertising or otherwise, that is misleading or deceptive as to character of the institution, or its influence in training employment for students. Business schools shall include the word "Business" in their names unless they are degree granting or accredited as a junior college of business.
    - d. Schools shall not use a photograph, cut, engraving, or illustration in catalogues, sales literature, or otherwise in such a manner as to convey a false impression as to the size, importance, or location of the school's equipment.
    - e. Schools shall not use endorsements, commendations, or recommendations by students in favor of a school unless it is with the consent of the writer and without any offer of financial compensation. Such material shall be kept on file by the school.
    - f. Schools shall publish tuition rates, payment method, and refund policy in their catalogues or on separate rate sheets and shall not deviate from these rates and policies.

- g. Schools shall not make, cause, permit to be made, or publish any false, untrue, or deceptive statement or representation by way of advertising or otherwise concerning other private business schools or their activities in attempting to enroll students or concerning the character, nature, quality, value, or scope of any course of instruction or education service offered or in any other material respect.
  - h. A school or class shall not solicit students to enroll by means of “blind” advertisements or advertisements in the “help wanted” or other employment columns of newspapers and publications.
  - i. Schools shall not make false, untrue, or deceptive statements of representatives regarding the opportunities in any vocation or field of activity as a result of the completion of any given course of instruction or educational service.
5. Sample copy of the diploma or certificate awarded upon graduation.

**XVI. Guaranty Bond or Certificate of Deposit and Letter from the Clerk of Court’s Office or other entity.**

- A. File the enclosed Guaranty Bond or Certificate of Deposit, in Initial License Application Forms Packet, with the Clerk of Court’s Office or other entity in the county where school is located.
- B. **In the final application**, include a letter from the Clerk of Court’s Office verifying that the bond is on file. If a Certificate of Deposit is submitted in place of the bond, include a letter from the Clerk of Court’s Office or other entity.
- C. For additional information on Bonds and Certificate of Deposit, see G.S. 115D-95 in Appendix A in the License Guidelines and Regulations Manual.
- D. Guidelines for Computing Bond/Certificate of Deposit Coverage, see Attachment B of this License Inquiry Information Packet.

**XVII. Teach-Out and Record Retention Plan**

On the *Teach-Out and Record Retention Plan* form in the Initial License Application Forms Packet, develop a plan based on the following criteria:

- A. Each proprietary business, trade, technical or correspondence school should adopt a teach-out and record retention plan.
- B. Any school that plans to close should notify the Director of Proprietary Schools and submit its teach-out and record retention plans at least 60 days prior to closure.
- C. The teach-out plan should specify:
  - 1. Process of informing each student of the school’s pending closure at least 30 days prior to closure. (Ex: Send a copy of letter to each student.)
  - 2. Number of students enrolled by program, program completion dates and arrangements with other educational/training institutions or agencies for students to complete the program.
  - 3. Extenuating circumstances to be considered by the Office of Proprietary Schools.

4. This plan should provide specific details including a list of your teach out partner schools agreeing to provide assistance if your school is unable to provide your own teach out.
- D. The record retention plan should document that the school has contacted Boyd Cathey, Registrar, North Carolina State Archives, at 919-807-7309, to arrange for permanent preservation of student academic and financial aid records, pending availability of space.
- E. The bond must stay in effect for the length of time determined by the bonding company.

**XVIII. Program Information**

Use Attachment I in the Initial License Application Forms Packet to provide the following information for each program submitted:

- A. Research the number of currently available employment positions related to this program, both in North Carolina and the United States, and list the source.
- B. Research the number of employment positions projected to be available in two years, both in North Carolina and the United States, and list the source of the data.
- C. Include any other data that may be needed to justify the program.

**XIX. List of School's Advisory Committee Members**

- A. Use Attachment J in the Initial License Application Forms Packet to list the school's advisory committee members or key industry representatives.
- B. For each member/representative indicate:
  1. Place of employment,
  2. Address,
  3. Telephone number,
  4. Fax number,
  5. And E-mail address.

## APPENDIX A

### Licensing of Proprietary Business, Technical, Trade, and Correspondence Schools

(Extracted from the General Statutes of North Carolina)

#### Article 8.

##### *Proprietary Schools.*

##### § 115D-87. Definitions.

As used in this Article:

- (1) "Correspondence school" means an educational institution privately owned and operated by an owner, partnership or corporation conducted for the purpose of providing, by correspondence, for a consideration, profit, or tuition, systematic instruction in any field or teaches or instructs in any subject area through the medium of correspondence between the student and the school, usually through printed or typewritten matter sent by the school and written responses by the student.
- (2) "Persons" means any individual, association, partnership or corporation, and includes any receiver, referee, trustee, executor, or administrator as well as a natural person.
- (3) "Proprietary business school" or "business school" means an educational institution that (i) is privately owned and operated by an owner, partnership or corporation, and (ii) offers business or office courses for which tuition is charged, in business or office related subjects or subjects of general education when they contribute value to the objective of the course of study. If a school offers classes in more than one county, the school's operations in each such county shall constitute a separate school, as defined in this subdivision.
- (4) "Proprietary trade school" or "trade school" means an educational institution that (i) is privately owned and operated by an owner, partnership, or corporation, and (ii) offers classes conducted for the purpose of teaching, for profit or for a tuition charge, any trade, mechanical or industrial occupation or teaching any or several of the subjects needed to train youths or adults in the skills, knowledge and subjects, related industrial information, and job judgment, necessary for success in one or more skilled trades, industrial occupations or related occupations. If a school offers classes in more than one county, the school's operations in each such county shall constitute a separate school, as defined in this subdivision.
- (5) "Proprietary technical school," "technical school," "proprietary technical institute," or "technical institute" means an educational institution that (i) is privately owned and operated by an owner, partnership or corporation, and (ii) offers classes conducted for the purpose of teaching, for profit or for a tuition charge, any technical occupation or teaching any or several of the subjects needed to train youths or adults in the skills, technical knowledge and subjects, related information, and job judgment, necessary for success in one or more technical or related occupations. If a school offers classes in more than one county, the

school's operations in each such county shall constitute a separate school, as defined in this subdivision.

**§ 115D-88. Exemptions.**

It is the purpose of this Article to include all private schools operated for profit: Provided, that the following schools shall be exempt from the provisions of this Article:

- (1) Nonprofit schools conducted by bona fide eleemosynary or religious institutions.
- (2) Schools maintained or classes conducted by employers for their own employees where no fee or tuition is charged to the student.
- (3) Courses of instruction given by any fraternal society, civic club, or benevolent order, which courses are not operated for profit.
- (4) Any school for which there is another legally existing licensing or approving board or agency in this State.
- (4a) Classes or schools that are equipment-specific to purchasers, users, classes, or schools offering training or instruction to acquaint purchasers or users with equipment capabilities.
- (4b) Classes or schools that are taught or coached in homes or elsewhere to five or fewer students.
- (4c) Classes or schools that the State Board, acting by and through the President of the Community College System, determines are avocational, recreational, self-improvement, or continuing education for already trained and occupationally qualified individuals.
- (5) Any established university, professional, or liberal arts college, public or private school regulated or recognized pursuant to Chapter 115C of the General Statutes or by any other State Agency, or any State institution which has heretofore offered, or which may hereinafter offer one or more courses covered in this Article: Provided, that the tuition fees and charges, if any, made by such university, college, high school, or State institution shall be collected by their regular officers in accordance with the rules prescribed by the board of trustees or governing body of such university, college, high school, or State institution; but provisions of the Article shall apply to all business schools, proprietary trade schools, proprietary technical schools, or correspondence schools, as defined in this Article, and operated within the State of North Carolina as such institutions, except schools for which there are other legally existing licensing boards or agencies.

**§ 115D-89. State Board of Community Colleges to administer Article; issuance of diplomas by schools; investigation and inspection; rules.**

- (a) The State Board of Community Colleges, acting by and through the President of the Community College System, shall have authority to administer and enforce this Article and to grant and issue licenses to proprietary business schools, proprietary trade schools, proprietary technical schools, and correspondence schools, whose sustained curriculum is of a grade equal to that prescribed for similar public schools and educational institutions of the State and which have met the standards set forth by the Board, including but not limited to course offerings, adequate facilities, financial stability, competent personnel and legitimate operating practices.

- (b) Any such proprietary business school, proprietary trade school, proprietary technical school, or correspondence school, may by and with the approval of the State Board issue certificates and diplomas.
- (c) The State Board, acting by and through the President of the Community College System, shall formulate the criteria and the standards evolved thereunder for the approval of such schools or educational institutions, provide for adequate investigations of all schools applying for a license and issue licenses to those applicants meeting the standards fixed by the Board, maintain a list of schools approved under the provisions of this Article which list shall be available for the information of the public, and provide for periodic inspection of all schools licensed under the provisions of this Article. Through periodic reports required of licensed schools and by inspections made by authorized representatives of the State Board of Community Colleges, the State Board of Community Colleges shall have general supervision over business, trade, technical, and correspondence schools in the State, the object of said supervision being to protect the health, safety, and welfare of the public by having the licensed business, trade, technical, and correspondence schools maintain adequate, safe and sanitary school quarters, sufficient and proper facilities and equipment, sufficient and qualified teaching and administrative staff, and satisfactory programs of operation and instruction, and to have the school carry out its advertised promises and contracts made with its students and patrons. To this end the State Board of Community Colleges is authorized to issue such rules not inconsistent with the provisions of this Article as are necessary to administer the provisions of this Article.

The State Board, acting by and through the President of the Community College System, may request any occupational licensing or approving board or agency in this State to adopt rules requiring the approval of that board or agency for a course of study. Under these rules, the board or agency shall pass on the adequacy of equipment, curricula, and instructional personnel. The State Board of Community Colleges may deny approval to a course of study that is not approved by such board or agency.

**§ 115D-90. License required; application for license; school bulletins; requirements for issuance of license; license restricted to courses indicated; supplementary applications.**

- (a) No person shall operate, conduct or maintain or offer to operate in this State a proprietary trade school, proprietary technical school, proprietary business school, or correspondence school, unless a license is first secured from the State Board of Community Colleges granted in accordance with the provisions of this Article and the rules adopted by the Board under the authority of G.S. 115D-89. The license, when issued, shall constitute the formal acceptance by the Board of the educational programs and facilities of each school approved.
- (b) Application for a license shall be filed in the manner and upon the forms prescribed and furnished by the President of the Community College System for that purpose. Such application shall be signed by the applicant and properly verified and shall contain such of the following information as may apply to the particular school for which a license is sought:

- (1) The title or name of the school or classes, together with the name and address of the owners and of the controlling officers thereof.
- (2) The general field of instruction.
- (3) The place or places where such instruction will be given.
- (4) A specific listing of the equipment available for instruction in each field.
- (5) The qualifications of instructors and supervisors.
- (6) Financial resources available to equip and to maintain the school or classes.
- (7) Such additional information as the State Board, acting by and through the President of the Community College System, may deem necessary to enable it to determine the adequacy of the program of instruction and matters pertaining thereto. Each application shall be accompanied by a copy of the current bulletin or catalog of the school which shall be in published form and certified by an authorized official of the school as being current, true, and correct in content and policy. The school bulletin shall contain the following information:
  - a. Identifying data, such as volume number and date of publication.
  - b. Names of the institution and its governing body, officials and faculty.
  - c. A calendar of the institution showing legal holidays, beginning and ending date of each quarter, term or semester, and other important dates.
  - d. Institution's policy and regulations relative to leave, absences, class cuts, make-up work, tardiness and interruptions for unsatisfactory attendance.
  - e. Institution's policy and regulations on enrollment with respect to enrollment dates and specific entrance requirements for each course.
  - f. Institution's policy and regulations relative to standards of progress required of the student by the institution. This policy will define the grading system of the institution; the minimum grades considered satisfactory; conditions for interruption for unsatisfactory grades or progress and description of the probationary period, if any, allowed by the institution; and conditions of reentrance for those students dismissed for unsatisfactory progress. A statement will be made regarding progress records kept by the institution and furnished the student.
  - g. Institution's policy and regulations relating to student conduct and conditions for dismissal for unsatisfactory conduct.
  - h. Detailed schedule for fees, charges for tuition, books, supplies, tools, student activities, laboratory fees, service charges, rentals, deposits, and all other charges.
  - i. Policy and regulations of the institution relative to the refund of the unused portion of tuition, fees and other charges in the event the student does not enter the course or withdraws or is discontinued therefrom.
  - j. A description of the available space, facilities and equipment.
  - k. A course outline for each course for which approval is requested, showing:
    1. Subjects or units in the course,

2. Type of skill to be learned, and
  3. Approximate (i) time; (ii) clock hours, and (iii) credit hours or credit hours equivalent, as appropriate, to be spent on each subject or unit.
1. Policy and regulations of the institution relative to granting credit for previous educational training.
- (c) After due investigation and consideration on the part of the State Board, acting by and through the President of the Community College System, as provided herein, a license shall be granted to the applicant when it is shown to the satisfaction of said Board that said applicant, school, programs of study or courses are found to have met the following criteria:
- (1) The courses, curriculum and instruction are consistent in quality, content and length with similar courses in public schools and other private schools in the State, with recognized accepted standards.
  - (2) There is in the institution adequate space, equipment, instructional material and instructor personnel to provide training of good quality.
  - (3) Education and experience qualifications of director, administrators and instructors are adequate.
  - (4) The institution maintains a written record of the previous education and training of the student.
  - (5) A copy of the course outline, schedule of tuition, fees and other charges, regulations pertaining to absences, grading policy and rules of operation and conduct will be furnished the student upon enrollment.
  - (6) Upon completion of training, the student is given a certificate or diploma by the institution indicating the approved course or subjects and indicating that training was satisfactorily completed.
  - (7) Adequate records as prescribed by the State Board of Community Colleges, acting by and through the President of the Community College System, are kept to show attendance and progress or grades and satisfactory standards relating to attendance, progress and conduct are enforced.
  - (8) The school complies with all local, city, county, municipal, State and federal regulations, such as fire codes, building and sanitation codes. The State Board of Community Colleges may require such evidence of compliance as is deemed necessary.
  - (9) The school is financially sound and capable of fulfilling its commitments for training.
  - (10) The school does not exceed its enrollment limitation as established by the State Board of Community Colleges.
  - (11) The school does not utilize advertising of any type which is erroneous or misleading, either by actual statement, omission or intimation.
  - (12) The school's administrators, directors, owners and instructors are of good reputation and character.
  - (13) Such additional criteria as may be deemed necessary by the State Board.

- (d) Any license issued shall be restricted to the programs of instruction or courses or subjects specifically indicated in the application for a license. The holder of a license shall present a supplementary application as may be directed by the President of the Community College System for approval of additional programs of instruction, courses, or subjects, in which it is desired to offer instruction during the effective period of the license.

**§ 115D-91. Duration and renewal of licenses; notice of change of ownership, administration, etc.; license not transferable.**

- (a) All licenses issued shall expire on June 30 next following the date of issuance.
- (b) Licenses shall be renewable annually on July 1: Provided, an application for the renewal of the license has been filed in the form and manner prescribed by the State Board, acting by and through the President of the Community College System, and the renewal fee has been paid: Provided, further that the school and its courses, facilities, faculty and all other operations are found to meet the criteria set forth in the requirements for a school to secure an original license.
- (c) After a license is granted to any school by the State Board of Community Colleges on the basis of its application, it shall be the responsibility of said school to notify immediately said Board of any changes in the ownership, administration, location, faculty, the instructional program or other changes as may affect significantly the course of instruction offered.
- (d) In the event of the sale of such school, the license already granted to the original owner or operators thereof shall not be transferable to the new ownership or operators. Provided, however, the President of the Community College System may issue a 90-day, temporary operating license to a school upon its sale if the school held a valid, current license prior to the sale, and if the President finds that the school is likely to qualify after the sale for a license under this Article.

**§ 115D-92. Authority to establish fees; Commercial Education Fund established; refund of fees.**

The State Board of Community Colleges shall establish reasonable fees for licenses, renewals, and approvals granted, and for inspections performed pursuant to this Article.

The fees and licenses collected under this section shall be placed in a special fund to be designated the "Commercial Education Fund" and shall be used under the supervision and direction of the State Board of Community Colleges for the administration of this Article. No license fee shall be refunded in the event the application is rejected or the license suspended or revoked.

**§ 115D-93. Suspension, revocation or refusal of license; notice and hearing; judicial review; grounds.**

- (a) A refusal to issue, refusal to renew, suspension of, or revocation of a license under this section shall be made in accordance with Chapter 150B of the General Statutes.
- (b) A decision under this section to refuse to grant, refuse to renew, suspend, or revoke a license is subject to judicial review in accordance with Article 4 of Chapter 150B of the General Statutes.

- (c) The State Board, acting by and through the President of the Community College System, shall have the power to refuse to issue or renew any such license and to suspend or revoke any such license theretofore issued in case it finds one or more of the following:
- (1) That the applicant for or holder of such a license has violated any of the provisions of this Article or any of the rules promulgated thereunder.
  - (2) That the applicant for or holder of such a license has knowingly presented to the State Board of Community Colleges false or misleading information relating to approval or license.
  - (3) That the applicant for or holder of such a license has failed or refused to permit authorized representatives of the State Board of Community Colleges to inspect the school, or has refused to make available to them at any time upon request full information pertaining to matters within the purview of the State Board of Community Colleges under the provisions of this Article.
  - (4) That the applicant for or holder of such a license has perpetrated or committed fraud or deceit in advertising the school or in presenting to the prospective students written or oral information relating to the school, to employment opportunities, or to opportunities for enrollment in other institutions upon completion of the instruction offered in the school.
  - (5) That the applicant or licensee has pleaded guilty, entered a plea of nolo contendere or has been found guilty of a crime involving moral turpitude by a judge or jury in any state or federal court.
  - (6) That the applicant or licensee has failed to provide or maintain premises, equipment or conditions which are adequate, safe and sanitary, in accordance with such standards of the State of North Carolina or any of its political subdivisions, as are applicable to such premises and equipment.
  - (7) That the licensee is employing teachers, supervisors or administrators who have not been approved by the State Board, acting by and through the President of the Community College System.
  - (8) That the licensee has failed to provide and maintain adequate premises, equipment, materials or supplies, or has exceeded the maximum enrollment for which the school or class was licensed.
  - (9) That the licensee has failed to provide and maintain adequate standards of instruction or an adequate and qualified administrative, supervisory or teaching staff.

**§ 115D-94: Repealed by Session Laws 1983 (Regular Session, 1984), c. 995, s. 17.**

**§ 115D-95. Bonds required.**

- (a) A guaranty bond is required for each school that is licensed to operate: Provided, however, a school that is unable to secure a bond may, with the consent of the State Board of Community Colleges, provide an alternative to a guaranty bond, as provided in subsection (c) of this section.

The State Board may revoke the license of a school that fails to maintain a bond or an alternative to a bond, pursuant to this section.

(b) (1) When application is made for a license or license renewal, the applicants shall file a guaranty bond with the clerk of the superior court of the county in which the school will be located. The bond shall be in favor of the students. The bond shall be executed by the applicant as principal and by a indemnification to any student, or his parent or guardian, who has suffered a loss of tuition or any fees by reason of the failure of the school to offer or complete student instruction, academic services, or other goods and services related to course enrollment for any reason, including the suspension, revocation, or nonrenewal of a school's license, bankruptcy, foreclosure, or the school ceasing to operate.

(2) The bond shall be in an amount determined by the State Board of Community Colleges to be adequate to provide indemnification to any student, or his parent or guardian, under the terms of the bond. the bond amount for a school shall be at least equal to the maximum amount of prepaid tuition held at any time during the last fiscal year by the school. The bond amount shall also be at least ten thousand dollars (\$10,000).

Each application for a license shall include a letter signed by an authorized representative of the school showing in detail the calculations made and the method of computing the amount of the bond, pursuant to this subdivision and the rules of the State Board. If the State Board finds that the calculations made and the method of computing the amount of the bond are inaccurate or that the amount of the bond is otherwise inadequate to provide indemnification under the terms of the bond, the State Board may require the applicant to provide an additional bond.

(3) The bond shall remain in force and effect until cancelled by the guarantor. The guarantor may cancel the bond upon 30 days notice to the State Board of Community Colleges. Cancellation of the bond shall not affect any liability incurred or accrued prior to the termination of the notice period.

(b) An applicant that is unable to secure a bond may seek a waiver of the guaranty bond from the State Board of Community Colleges and approval of one of the guaranty bond alternatives set forth in this subsection. With the approval of the State Board, an applicant may file with the clerk of the superior court of the county in which the school will be located, in lieu of a bond:

(1) An assignment of a savings account in an amount equal to the bond required (I) which is in a form acceptable to the State Board of Community Colleges; (ii) which is executed by the applicant; and (iii) which is executed by a state or federal savings and loan association, state bank, or national bank, that is doing business in North Carolina and whose accounts are insured by a federal depositors corporation; and, (iv) for which access to the account in favor of the State of North Carolina is subject to the same conditions as for a bond in subsection (b) of this section.

(2) A certificate of deposit (I) which is executed by a state or federal savings and loan association, state bank, or national bank, which is doing business in North Carolina and whose accounts are insured by a federal depositors corporation; and (ii) which is either payable to the State of North Carolina, unrestrictively endorsed to the State Board of Community Colleges; in the case of a negotiable certificate of deposit, is unrestrictively endorsed to the State Board of

Community Colleges; or in the case of a nonnegotiable certificate of deposit, is assigned to the State Board of Community Colleges in a form satisfactory to the State Board, and (iii) for which access to the certificate of deposit in favor of the State of North Carolina is subject to the same conditions as for a bond in subsection (b) of this section.

**§ 115D-96. Operating school without license or bond made misdemeanor.**

Any person, or each member of any association of persons or each officer of any corporation who opens and conducts a proprietary business school, a proprietary technical school, a proprietary trade school, or a correspondence school, without first having obtained the license herein required, and without first having executed the bond required, shall be guilty of a Class 3 misdemeanor, and each day said school continues to be open and operated shall constitute a separate offense.

**§ 115D-97. Contracts with unlicensed schools and evidence of indebtedness made null and void.**

All contracts entered into by proprietary business, proprietary technical, proprietary trade, or correspondence schools, with students or prospective students, and all promissory notes or other evidence of indebtedness taken in lieu of cash payments by such schools shall be null and void unless such schools are duly licensed as required by this Article.

**APPENDIX B**

**NORTH CAROLINA ADMINISTRATIVE CODE**

**TITLE 23**

**DEPARTMENT OF COMMUNITY COLLEGES**

**CHAPTER 3**

**MISCELLANEOUS PROGRAMS**

**SUBCHAPTER 3A – PROPRIETARY SCHOOLS**

**SECTION .0100 – BUSINESS, TRADE AND TECHNICAL SCHOOLS**

**23 NCAC 03A .0101 DEFINITIONS AND APPLICATION FOR INITIAL LICENSE**

(a) The following terms shall have the following meaning in this subchapter unless the context of a specific rule requires a different interpretation.

- (1) "Proprietary school" means any proprietary business school, proprietary trade school, proprietary technical school, or correspondence school which:
  - (A) offers postsecondary education or training for profit or for a tuition charge or offers classes for the purpose of teaching, for profit or for a tuition charge, any program of study or teaching one or more of the courses or subjects needed to train and educate an individual for employment; and,
  - (B) has any physical presence within the State of North Carolina; and,
  - (C) is privately owned and operated by an owner, partnership or corporation.
- (2) "Classes or schools" as stated in G.S. 115D-88(4a) means classes or schools, which are offered by the seller of the equipment or the seller's agent.
- (3) "Equipment" as stated in G.S. 115D-88 includes software.
- (4) "Classes or schools" conducted by employers for their own employees are exempt. Employers may contract with third part agencies to provide training for their employees. Schools or classes conducted by third party agencies for an employer to train his employees are exempt.
- (5) "Users" as defined in G.S. 115D-88 (4a) means employees or agents of purchasers.
- (6) "Five or fewer students" as stated in G.S. 115D-88 (4b) means total number of students at the time of maximum enrollment during any term.
- (7) "Remote sites" means approved instructional environments in the same county that do not have any administrative staff or administrative functions such as recruiting, accounting and record keeping taking place.

(b) Application for an Initial License:

- (1) Any person or persons operating a proprietary school with an enrollment of more than five persons in a school in the State of North Carolina shall obtain a license from the North Carolina State Board of Community Colleges except as exempt by G.S. 115D-88.
- (2) A preliminary application shall be submitted setting forth the proposed location of the school, the qualifications of the Chief Administrator of the school, a description of the facilities available, courses to be offered, and financial resources available to equip and maintain the school. Upon approval of the preliminary application, a final

application may be submitted. This application shall be verified and accompanied by the following:

- (A) A certified check or money order in the amount of two thousand five hundred dollars (\$2500.00) made payable to the North Carolina State Treasurer;
  - (B) A guaranty bond or alternative to a guaranty bond as set forth in G.S. 115D-95. Except as otherwise provided herein, the bond amount for a proprietary school shall be at least equal to the maximum amount of prepaid tuition held at any time during the fiscal year. During the initial year of operation, the bond amount shall be based on the projected maximum amount of prepaid tuition that will be held at any time during that year. In any event, the minimum surety bond shall be ten thousand dollars (\$10,000);
  - (C) A copy of the school's catalog or bulletin. The catalog shall include a statement addressing each item listed in G.S. 115D-90(b)(7);
  - (D) A financial statement showing capital investment, assets and liabilities, and the proposed operating budget which demonstrates financial stability or a financial statement and an accompanying opinion of the school's financial stability by either an accountant, using generally accepted accounting principles, or a lending institution;
  - (E) A detail of ownership; (This must show stock distribution if the school is a corporation, or partnership agreement if the school will be operated as a partnership.)
  - (F) Information on all administrative and instructor personnel who will be active in the operation of the school, either in full- or part-time capacity; (This information must be submitted on forms provided for this purpose.)
  - (G) Enrollment application or student contract form;
  - (H) School floor plan showing doors, windows, halls, and seating arrangement; also offices, rest rooms, and storage space; the size of each room and seating capacity shall be clearly marked for each classroom; lighting showing kind and intensity shall be indicated for each room; the type of heating and cooling system used for the space occupied shall be stated;
  - (I) Photostatic copies of inspection reports or letters from proper officials to show that the building is safe and sanitary and meets all local city, county, municipal, state, and federal regulations such as fire, building, and sanitation codes;
  - (J) If building is not owned by the school, a photostatic copy of the lease held by the school for the space occupied.
- (3) A person or persons purchasing a proprietary school already operating as a licensed school shall comply with all of the requirements for securing an original license. A license is not transferable to a new owner. All application forms and other data shall be submitted in full. Such terms as "previously submitted" when referring to a former owner's file are not acceptable. If a proprietary school offers classes in more than one county, the school's operations in each such county constitutes a separate school requiring a separate license. Classes conducted by the school in separate locations shall be reported and approved prior to advertising and commencement of classes.

- (4) Remote sites shall not have any administrative staff or any administrative functions such as recruiting, accounting or record keeping. Each remote site shall have an initial site visit and a visit during each annual audit.
- Classes conducted at remote sites by licensed schools shall be approved prior to advertising and commencement of classes. Any course offered at a remote site shall be a part of an approved program of study for that licensed school.
- (5) Changes in application information presented for licensure or relicensure relating to mission, programs, location or stock distribution require prior approval and licensure amendment by the State Board of Community Colleges.
- (A) Program additions require curriculum reviews and program or course approvals prior to initiation. A check or money order in the amount of two hundred dollars (\$200.00) made payable to the North Carolina State Treasurer shall accompany each additional program approval request.
- (B) Single course additions or revisions may be individually approved when schools submit a request for license amendment. Course additions or revisions requiring curriculum review, instructor evaluation, and equipment site assessment are subject to the curriculum review fee of two hundred dollars (\$200.00).
- (C) School relocations require site visits and approvals prior to use. A check or money order in the amount of four hundred dollars (\$400.00) [ ]made payable to the North Carolina State Treasurer shall accompany each site relocation approval request.

*History Note: Authority G.S. 115D-88; 115D-89; 115D-90; 115D-91;  
Eff. September 1, 1993;  
Amended Eff. December 1, 2004.*

### **23 NCAC 03A .0102 APPLICATION FOR RENEWAL OF LICENSE**

- (a) Schools shall be licensed annually, and the licensure shall extend from July 1 through June 30, inclusive.
- (b) Schools desiring the renewal of their license shall submit an application on or before April 1 of each year. The application shall be accompanied by the following:
- (1) All information required of schools applying for an original license that has not been previously submitted;
  - (2) Copy of current catalog containing all information required of schools applying for original license;
  - (3) Any supplementary information necessary to bring information on the school up to date.
- (c) A check in the amount of one thousand two hundred and fifty dollars (\$1250.00) plus fifty dollars per program (\$50.00) made payable to the North Carolina State Treasurer shall be received on or before April 1.

*History Note: Authority G.S. 115D-91; 115D-92;  
Eff. September 1, 1993;  
Amended Eff. December 1, 2004.*

### **23 NCAC 03A .0103 SCHOOL PLANT AND EQUIPMENT**

(a) The school plant, premises, and facilities shall be adequate, safe, and sanitary and shall be in compliance with the statutory provisions and the rules and regulations of all local ordinances pertaining to fire, health, safety, and sanitation.

(b) The equipment, supplies, and instructional materials of the school shall be satisfactory and adequate in type, quality, and amount, and shall be suitable for satisfactory use in administering the course or courses of instruction. They shall also meet all requirements of statutory provisions and local ordinances, and rules and regulations adopted thereunder in regard to fire, health, safety, and sanitation.

*History Note: Authority G.S. 115D-89; 115D-90;  
Eff. September 1, 1993;  
Amended Eff. December 1, 2004.*

### **23 NCAC 03A .0104 ADMINISTRATION**

(a) One person shall be designated as the chief administrator of the school or branch thereof. The chief administrator shall be qualified in accordance with the requirements listed in Paragraph (c) of this Rule.

(b) The chief administrator is defined as the person directly responsible for the school's program, the methods of instruction, the employment of instructors, the organization of classes, the maintenance of the school plant and the equipment, the advertising used, and the maintenance of proper administrative records and all other procedures related to the administration of the school or class.

(c) The chief administrator shall have the following qualifications:

- (1) Be a person of good moral character;
- (2) Be a graduate of an accredited college or university accredited by an agency that is recognized by the U.S. Department of Education; and,
- (3) Have the experience, competency, and capacity to lead the school.

(d) Chief administrators and other administrative personnel who possess qualifications which are equivalent to the requirements prescribed herein for chief administrators may be approved individually by the North Carolina Community College System President or designee.

*History Note: Authority G.S. 115D-87; 115D-89; 115D-90;  
Eff. September 1, 1993;  
Amended Eff. December 1, 2004.*

### **23 NCAC 03A .0105 ADVERTISING**

(a) A licensed school shall not advertise through any media that it offers courses that the school has not been licensed to offer.

(b) Printed catalogs, bulletins, or prospectus information shall be specific with respect to prerequisite training required for admission to the school courses, the curricula, the contents of courses, graduation requirements, tuition and other fees, refunds and allowances for withdrawals and unavoidable or extended absences.

(c) Schools shall not use any name, title, or other designation, by way of advertising or otherwise, that is misleading or deceptive as to character of the institution, or its influence in training and employment for students

- (d) Schools shall not use a photograph, cut, engraving, or illustration in catalogs, sales literature, or otherwise in such a manner as to convey a false impression as to the size, importance, or location of the school's equipment.
- (e) Schools shall not use endorsements, commendations, or recommendations by students in favor of a school unless it is with the consent of the writer and without financial compensation or offer of financial compensation. These materials shall be kept on file by the school.
- (f) Schools shall publish tuition rates, payment methods, and refund policies in their catalogs or as a catalog addendum and shall not deviate from these rates and policies. All catalog addenda shall show an effective date and be readily available to the student.
- (g) Schools shall not make, cause, permit to be made, or publish any false, untrue, or deceptive statement or representation by way of advertising or otherwise concerning other proprietary schools or their activities in attempting to enroll students or concerning the character, nature, quality, value, or scope of any course of instruction or educational service offered or in any other material respect.
- (h) A school or class shall not solicit students to enroll by means of "blind" advertisements or advertisements in the "help wanted" or other employment columns of newspapers, publications, and Internet job banks.
- (i) Schools shall not make false, untrue, or deceptive statements of representatives regarding the opportunities in any vocation or field of activity as a result of the completion of any given course of instruction or educational service.
- (j) Advertisement shall not use salary-related terms or phrasing such as, "up to", "top", or "high salary".
- (k) Any salary claims shall show comparisons between local and national employment data and shall be for entry-level positions.
- (l) Any salary claims shall be documented and on file at the institution for public viewing.
- (m) Advertisements shall not offer promotions or special inducements to prospective students or enrollees.
- (n) Advertisements and school representatives shall not guarantee or imply positions or employment to prospective students.
- (o) If a licensed proprietary school, in any of its advertisements, printed materials or media, use the phrase or a similar phrase "Licensed by the North Carolina State Board of Community Colleges" then that phrase must be immediately succeeded by the following disclaimer: "The North Carolina State Board of Community Colleges is not an accrediting agency."

*History Note: Authority G.S. 115D-89; 115D-90;  
Eff. September 1, 1993;  
Amended Eff. December 1, 2004.*

### **23 NCAC 03A .0106 ADMISSION REQUIREMENTS**

- (a) The admission requirements for schools licensed under Article 8 of Chapter 115D of the General Statutes of North Carolina shall be made available to the public and administered as written.
- (b) The school shall require graduation from a public or private or a state registered home high school as a prerequisite to enrollment in a certificate or diploma course offered by the school. A copy of the high school transcript shall be on file for each student enrolled. Exceptions to this requirement may be made for students who hold a certificate of high school equivalency or for non-high school graduates who are 18 years of age or older who have demonstrated the ability to benefit

as determined by accepted test instruments. A copy of the high school equivalency certificate or test results shall be kept in each student's record. The school shall not permit students of high school age to attend the school during the time that high schools are in regular session, except in individual cases approved by the student's high school principal. A copy of the approved form shall be included in the student's record.

(c) The school may admit students to special courses or subjects which are part of the approved curriculum offered by the school when the school deems the student can benefit from the instruction offered.

(d) If total tuition is greater than five-thousand dollars (\$5,000) the school may collect up to 50 percent of the total tuition prior to that mid-point of the program. The remainder of the tuition may be collected only when the student has completed one-half of the program. Federal regulations regarding the disbursement of tuition [ ] shall supersede state disbursement regulations stated in this Rule.

*History Note: Authority G.S. 115D-89; 115D-90;  
Eff. September 1, 1993;  
Amended Eff. December 1, 2004.*

### **23 NCAC 03A .0107 RECORDS**

(a) A school licensed under G.S. 115D, Article 8, shall maintain current, complete, and accurate records to show the following:

- (1) An application for admission that includes the student's educational and personal background, age, and other personal characteristics.
- (2) Progress and attendance including date entered, dates attended, subjects studied, and class schedule; this record shall be in a form which permits accurate preparation of transcripts of educational records for purpose of transfer and placement, providing reports to government services or agencies, or for such other purposes as the needs of the student might require. Such transcripts shall be in the form understandable by lay persons and educators alike. The grading system on such transcripts shall be explained on the transcript form. Subjects appearing on the transcripts shall be numbered or otherwise designated to indicate the subject matter covered.
- (3) All student enrollment agreements shall include at a minimum, the program of study, program tuition and fees, date programs are to begin, time period covered by the tuition payment, and statement of or reference to the school's tuition refund policy.
- (4) All student account ledgers shall include, at a minimum, monies owed and paid by each student, and refunds issued by the school.
- (5) The students official high school transcript or proof of GED completion.
- (6) Proof of students "ability to benefit" if the student has not earned a high school diploma or GED certificate.

(b) Records of students shall be open for inspection by properly authorized officials of the State Board of Community Colleges.

(c) Financial records of the school shall be open for inspection by properly authorized officials of the State Board of Community Colleges.

*History Note: Authority G.S. 115D-89; 115D-90;  
Eff. September 1, 1993;  
Amended Eff. December 1, 2004.*

### **23 NCAC 03A .0108 INSTRUCTIONAL PROGRAM**

(a) A school licensed under G.S. 115D, Article 8, shall limit its offering in certificate and diploma programs and special subjects to the courses and subjects for which it has been licensed to offer. At the beginning of each term, each school shall post the schedule of subjects being offered during the term. This schedule will show the time and instructor for each subject and designate the room in which the subject will be taught. Each student shall be provided a schedule of classes for each term to show the student's individual schedule.

(b) Schools shall not publish in their catalogs courses which they have not been licensed to offer. When a school is licensed to offer a course or program and enrolls students in the course or program, the school shall maintain sufficient and qualified faculty to teach all subjects required for completing the course or program during the time stipulated in the school's bulletin as the required time to complete the course or program and classes shall be scheduled so that the students will be able to receive instruction in all subjects for the number of instructional hours as advertised in the school's bulletin under which the students enrolled. When a school previously licensed to offer a course or program fails to maintain the qualifications for continuing the course or program, the course or program shall be removed from the catalog or stamped "not offered."

(c) The number of curriculum programs offered by a school shall be realistic in relationship to faculty employed and students enrolled. As a general rule, the number of curriculum programs offered shall not exceed the number of faculty employed on a full-time basis.

(d) The school shall establish its calendar one calendar year in advance and give full information to prospective and enrolled students about holidays; beginning and ending dates of each term and other important dates.

(e) Schools may measure instruction on a clock-hour or credit-hour basis. The catalog shall provide a clear definition of the method used. The school catalog shall show the number of clock hours or credit hours for each subject offered and the minimum clock hours or credit hours a student shall carry for full-time enrollment. Courses offered on a credit-hour basis shall show class hours, laboratory hours, and credit hours.

(f) The ratio between student and instructor shall be reasonable at all times and in keeping with generally accepted delivery modes, including technology and course content.

(g) Class period shall permit a minimum of 50 minutes net instruction. Class shall not be scheduled for more than two consecutive class periods without a break.

(h) Certificates and diplomas shall be issued only upon successful completion of a standard program of study.

(i) Students enrolled in diploma or certificate programs shall not be enrolled except at the beginning of each term or within the drop/add period which shall not exceed 10 percent of a semester course or 25 percent of quarters or clock hour courses. This provision is not applicable to classes offered on a multi-entry basis.

*History Note: Authority G.S. 115D-89; 115D-90;  
Eff. September 1, 1993;  
Amended Eff. December 1, 2004.*

### **23 NCAC 03A .0109 INSTRUCTIONAL PERSONNEL**

(a) An application for approval to teach in a licensed proprietary school shall be made on forms provided for this purpose. The application shall be filed prior to an instructor's beginning date for teaching in a proprietary school.

(b) An instructor shall be found to be qualified by education or work experience background and must meet the following qualifications as minimum requirements:

- (1) Be a person of good moral character;
- (2) Be at least 18 years of age;
- (3) Be a graduate of a college or university accredited by an agency that is recognized by the U.S. Department of Education, and hold at least an associate degree in a related field or meet the requirements of other occupational licensing, certification, or approval bodies requested to approve instructor adequacy; and,
- (4) Personnel who possess and can document qualifications which are equivalent to the requirements prescribed herein for instructor, may be approved on an individual basis by the North Carolina Community College System President or his designee.

*History Note: Authority G.S. 115D-89; 115D-90;  
Eff. September 1, 1993;  
Amended Eff. December 1, 2004.*

### **23 NCAC 03A .0110 FINANCIAL STABILITY**

- (a) A school licensed under G.S. 115D, Article 8, shall have sufficient finances to establish and carry out a program of education on a continuing basis.
- (b) The North Carolina Community College System Office may request a credit report.

*History Note: Authority G.S. 115D-89; 115D-90;  
Eff. September 1, 1993;  
Amended Eff. December 1, 2004.*

### **23 NCAC 03A .0111 ETHICS**

- (a) Schools licensed under Article 8 of Chapter 115D of the General Statutes of North Carolina shall not offer premiums or special inducement to prospective students or enrollees. Scholarships may be offered provided terms of scholarship are published in the school catalog.
- (b) Failure to maintain tuition rates as published is grounds for suspension or revocation of the license of a school.
- (c) No officer or representative of the school shall solicit any student to leave any school in which the student is enrolled or attends.
- (d) A school representative shall not guarantee positions or employment to prospective students.

*History Note: Authority G.S. 115D-89; 115D-90; 115D-93;  
Eff. September 1, 1993;  
Amended Eff. December 1, 2004.*

### **23 NCAC 03A .0112 REVOKING A LICENSE**

The license of a proprietary school may be revoked in accordance with G.S. 150B, Article 3, when it is found that the school has failed to comply with the requirements of the law and the rules adopted by the State Board of Community Colleges.

*History Note: Authority G.S. 115D-93; 150B-22 thru 150B-37;  
Eff. September 1, 1993;  
Amended Eff. December 1, 2004.*

### **23 NCAC 03A .0113 STUDENT REFUND**

(a) Any proprietary school that is licensed by the State Board of Community Colleges is subject to the following refund policies. A refund shall not be made except under the following circumstances:

- (1) A 100 percent refund shall be made if the student officially withdraws prior to the first day of class(es) as noted in the school calendar. Also, a student is eligible for a 100 percent refund if the class(es) in which the student is officially registered is cancelled due to insufficient enrollment.
- (2) A 75 percent refund shall be made for semester courses if the student officially withdraws from class(es) prior to or on the official 10 percent point of the semester.
- (3) A 75 percent refund shall be made up to the 25 percent point of any term defined by quarters or clock hours for a student who officially withdraws from class(es).
- (4) Refunds for multi-entry classes will be based on the percentage of class requirements completed.
- (5) To comply with applicable federal regulations regarding refunds; federal regulations regarding refunds will supercede state refund regulations in this Rule.

(b) Proprietary schools are not required to deposit funds collected for tuition with the State Treasurer's Office.

*History Note: Authority G.S. 115D-90;  
Eff. April 1, 1997;  
Amended Eff. December 1, 2004.*

### **23 NCAC 03A .0115 TEACH-OUT PLAN AND RECORDS PRESERVATION**

(a) Each proprietary school shall adopt a teach-out plan. The plan shall be kept on file in the school's administrative office. A copy of the plan shall be submitted to the North Carolina Community College System Office, Office of Proprietary Schools, with the application for license. Amendments or revisions to the plan shall be submitted to the Office of Proprietary Schools as they are made.

(b) The plan shall include the procedure for notifying students of a pending school closure and the teach-out arrangements with other educational or training institutions. The teach-out arrangements shall include provisions for students to complete their programs, to transfer to other equivalent programs at other institutions, and to be refunded that portion of their prepaid tuition and fees not earned by the school.

(c) Each student shall be given a minimum 30-day written notice of the school's intent to close. Prior to closure, school officials shall assist students with: (1) completing their programs at the school, (2) identifying equivalent programs at other institutions, (3) transferring to other institutions, and (4) receiving refunds.

(d) Prior to closure, a school shall file a copy of all student permanent academic and financial aid records with the Department of Cultural Resources.

*History Note: Authority G.S. 115D-90.  
Eff. December 1, 2004.*

## APPENDIX C

### **Guidelines for Diploma and Certificate Programs For North Carolina Proprietary Schools**

In an effort to communicate clearly, provide guidance, and ensure compliance with the current state statutes, the North Carolina Community College System, Office of Proprietary School Services, provides the following guidelines regarding curriculum requirements for diploma and certificate programs in North Carolina Proprietary Schools. These guidelines are the same as the requirements for the 58 member institutions of the North Carolina Community College System. Programs where the curriculum is mandated by other licensing boards, such as Nurses Aide I (NA I), are exempt from these guidelines.

#### **Curriculum Requirements**

##### **I. General Education.**

Diploma programs must contain a minimum of 6 semester hours of general education; 3 semester hours must be in communications. General education is optional in certificate programs. General Education includes study in the areas of humanities and fine arts, social and behavioral sciences, natural sciences and mathematics, and English composition. General education course prefixes should reflect these areas of study.

##### **II. Major Hours.**

Diploma, and certificate programs must include courses that offer specific job knowledge and skills. Work experience, including cooperative education, practicums, and internships, may be included in a diploma program up to a maximum of 8 semester hours and in a certificate program up to a maximum of 2 semester hours.

##### **III. Other Required Hours.**

A college may require other subjects or courses to complete graduation requirements. These requirements may include electives, orientation, study skills courses, or other graduation requirements.

#### **Definitions of Credit Hours**

The following section of the North Carolina Administrative Code (NCAC) provides definitions for how many clock hours in different types of facilitated learning environments are required to award a semester credit hour. Tables displaying these definitions and conversions for semester and quarter credit hours follow the excerpt from NCAC.

NORTH CAROLINA ADMINISTRATIVE CODE  
*CHAPTER 1 - GENERAL PROVISIONS*  
SUBCHAPTER 1A - ORGANIZATION  
.0101 DEFINITIONS

The following terms shall have the following meanings throughout this Title unless the context of a specific rule requires a different interpretation:

(1) Credit Hours:

(a) Credit of one semester hour is awarded for each 16 hours of "class work." Class work is lecture and other classroom instruction. Class work is under the supervision of an instructor.

(b) Credit of one semester hour is awarded for each 32 hours of "experiential laboratory work." Experiential laboratory work means instruction given to a student by an instructor to increase the student's knowledge and skills without immediate student application.

(c) Credit of one semester hour is awarded for each 48 hours of "faculty directed laboratory work." Faculty directed laboratory involves structured and coordinated demonstration by an instructor with immediate student application.

(d) Credit of one semester hour is awarded for each 48 hours of "clinical practice." Clinical practice is a structured, faculty-directed learning experience in a health sciences program which develops job proficiency. Clinical practice requires significant preparation, coordination, and scheduling by the faculty and is under the supervision of an instructor or preceptor who is qualified for the particular program.

(e) Credit of one semester hour is awarded for each 160 hours of "work experience" such as cooperative education, practicums, and internships. Work experience involves the development of job skills by providing the student with employment that is directly related to, and coordinated with, the educational program. Student activity in work experience is planned and coordinated by a college representative, and the employer is responsible for the control and supervision of the student on the job.

**Credit Hour/Clock Hour Definitions Table**

|   | <b>Clock Hours</b> | <b>Semester Credit Hours</b> | <b>Quarter Credit Hours</b> |
|---|--------------------|------------------------------|-----------------------------|
| Class Work                              | 16                 | 1                            | 1.5                         |
| <b>Experiential Laboratory Work</b>     | 32                 | 1                            | 1.5                         |
| <b>Faculty Directed Laboratory Work</b> | 48                 | 1                            | 1.5                         |
| <b>Clinical Practice</b>                | 48                 | 1                            | 1.5                         |
| <b>Work Experience</b>                  | 160                | 1                            | 1.5                         |

**Credit Hour/Clock Hour Conversion Table**

|   | <b>Diploma</b>      |                |                  | <b>Certificate</b>  |                |                  |
|---|---------------------|----------------|------------------|---------------------|----------------|------------------|
|   | <b>Semester Hrs</b> | <b>Qtr Hrs</b> | <b>Clock Hrs</b> | <b>Semester Hrs</b> | <b>Qtr Hrs</b> | <b>Clock Hrs</b> |
| Minimum General Education                                   | 6                   | 9              | 96               | 0                   | 0              | 0                |
| <b>Minimum Major Hours</b>                                  | 30                  | 20             | 480              | 12                  | 18             | 192              |
| <b>Other Required Hours</b>                                 | 0-4                 | 0-6            | 0-64             | 0-1                 | 0-1.5          | 0-16             |
| <b>Total Semester Hours</b>                                 | 36-40               | 54-60          | 576-640          | 12-13               | 18-19.5        | 192-208          |
| <b>16 clock hours = 1 semester hour = 1.5 quarter hours</b> |                     |                |                  |                     |                |                  |

Appendix D

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2005  
SESSION LAW 2005-276  
SENATE BILL 622**

**IMPLEMENT PROPRIETARY SCHOOLS LICENSING FEE INCREASE**

**SECTION 8.14.** The State Board of Community Colleges may implement an increase in fees for licensing of proprietary schools in accordance with the following fee schedule adopted by the State Board of Community Colleges on November 18, 2004:

Initial License Fee \$2,500  
License Renewal Fee \$1,250 plus \$50.00 per program  
Program Addition Fee \$200.00  
Single Course Addition Fee \$200.00  
Relocation/Site Visit Fee \$400.00  
Remote Site Initial Fee \$1,000  
Remote Site Renewal Fee \$750.00  
Site Assessment \$200.00