23 NCAC 03A .0116 is proposed for adoption as follows:

23 NCAC 03A .0116 ADMINISTRATION OF THE STUDENT PROTECTION FUND

(a) The State Board of Community Colleges, acting by and through the President of the Community College System, shall administer the Student Protection Fund.

(b) If the Student Protection Fund balance is equal to or exceeds the Student Protection Fund cap amount, the State Board of Community Colleges shall suspend payments into the Student Protection Fund for schools that have been continuously licensed in North Carolina for more than eight years. The State Board of Community Colleges shall require schools to resume payments into the Student Protection Fund if the balance of the Student Protection Fund is less than the catastrophic loss amount.

(c) If claims against the Student Protection Fund exceed the catastrophic loss amount, the State Board of Community Colleges may assess additional fees to compensate students qualified for repayment under the Student Protection Fund. The amount of the catastrophic assessment shall not exceed one-half of the amount of the annual revenue payment required by subsection (e) of this section. If the amount of the catastrophic assessment will be insufficient to cover qualified claims, the State Board of Community Colleges shall allocate funds among claims proportional to the amount of student loss and the amount in the Student Protection Fund.

(d) A student, or the student's parent or guardian, who has suffered a loss of tuition, fees, or any other instruction-related expenses paid to a proprietary school licensed under G.S. 115D-90 by reason of the school ceasing to operate for any reason, including, but not limited to the suspension, revocation, or nonrenewal of a school's license, bankruptcy, or foreclosure, may qualify for repayments under the Student Protection Fund. The State Board of Community Colleges must first issue repayment from the guaranty bonds and alternatives to the guaranty bond issued under G.S. 115D-95. If the Student Protection Fund is insufficient to cover the qualified claims, the State Board of Community Colleges must allocate funds among claims proportional to the amount of student loss and the amount in the Student Protection Fund.

(e) The Student Protection Fund Advisory Committee shall meet once per year to review the Fund adjustments or as needed in order to respond to other matters related to the Fund.

History Note: Authority G.S. 115D-89; 115D-95.1;
Eff. July 1, 2010.