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# PRELIMINARY PROPRIETARY SCHOOL LICENSE APPLICATION PACKET

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## OFFICE OF PROPRIETARY SCHOOLS

[WWW.NCCOMMUNITYCOLLEGES.EDU/PROPRIETARY-SCHOOLS](http://WWW.NCCOMMUNITYCOLLEGES.EDU/PROPRIETARY-SCHOOLS)

***Mailing Address***

OFFICE OF PROPRIETARY SCHOOLS  
NC COMMUNITY COLLEGE SYSTEM  
5001 MAIL SERVICE CENTER  
RALEIGH, NC 27699-5001

## **INSTRUCTIONS**

This is **NOT** an application for proprietary school licensing. The Preliminary Application is divided into two parts. The first provides a general overview of how licensing works if you need to become licensed by the State Board of Community Colleges. The second is a preliminary application requesting information about your business, the programs you seek to offer, and where you will conduct instruction. You will complete and mail the Preliminary Application to our office. We will then contact you to review your submission and the proprietary statute. If you do not need to become licensed, we will provide you with documentation in writing. If you needed to become licensed, we would provide instructions about moving forward in the licensing process.

When you submit your Preliminary Application, include all of the information you feel relevant for us to consider. It is used to determine: 1) if your business meets the statutory definition of a proprietary school in North Carolina General Statute §115D-87; and 2) if your business does meet the definition, whether your business meets one of the statutory exemptions from licensing enumerated in §115D-88. You should review the definition of a proprietary school and the statutory exemptions here: [http://www.ncleg.net/EnactedLegislation/Statutes/HTML/ByArticle/Chapter\\_115D/Article\\_8.html](http://www.ncleg.net/EnactedLegislation/Statutes/HTML/ByArticle/Chapter_115D/Article_8.html), before submitting your application. If you believe that you do not meet the definition in the statute, attach a separate sheet to your Preliminary Application and explain why. Likewise, if you believe your business qualifies for one of the statutory exemptions, attach a separate sheet and explain which exemption you should qualify for and why.

## **OVERVIEW OF LICENSING PROCESS**

### **I. Preliminary Application**

An applicant submits a Preliminary Application to the Office of Proprietary Schools. The Office of Proprietary Schools reviews it in accordance with the provisions of Article 8, Chapter 115D of the North Carolina General Statutes to determine whether the applicant should continue in the licensure process.

### **II. Initial License Application**

An applicant advised to continue in the licensing process will then submit an *Initial License Application*. The *Initial License Application Packet* can be downloaded at: <http://www.nccommunitycolleges.edu/proprietary-schools>. The Office of Proprietary Schools reviews it for compliance with Article 8, Chapter 115D of the North Carolina General Statutes. This process may take several months and require supplemental documentation and/or corrections.

### **III. Presentation to the State Board of Proprietary Schools**

The License Application is submitted to the State Board of Proprietary Schools for license consideration. The Proprietary Board meets at least four (4) times annually—normally February, May, August and November. The Proprietary Board determines

whether the proposed 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. If the Proprietary Board finds that the submission meets the licensing requirements set forth in Article 8, it will recommend the school to the State Board of Community Colleges for initial licensing.

#### **IV. Presentation to the State Board of Community Colleges**

The Community College Board meets at least ten (10) times annually—normally not in June or December. The Community College Board considers the submission and recommendation from the Proprietary Board to determine whether a proprietary license should be issued to the school. If approved by the Community College Board, the Office of Proprietary Schools issues a proprietary license to the school and publishes it on the Directory of Proprietary Schools.

#### **V. Renewals, Audits and School Sales**

Proprietary schools must apply for license renewal annually. License Renewal Packets are available online, and must be submitted to the Office of Proprietary Schools by March 15<sup>th</sup>, to be licensed for the next fiscal year (July 1st – June 30th). All licensed proprietary schools are subject to a program audit. The Office of Proprietary Schools may conduct additional special audits as necessary to help assure compliance with Article 8 and Title 2 of the State Board of Community Colleges Code (<http://www.nccommunitycolleges.edu/sbcccode>). Proprietary school licenses are not transferable. If a school experiences a change in ownership, the new owner must apply for an initial proprietary school license.

### **REQUIRED LICENSING FEES**

- 1. License Fee** - For initial license, a certified check or money order in the amount of \$3,200 plus \$50 per program requested for licensure, made payable to the North Carolina State Treasurer. Thereafter, the annual license renewal fee is \$1,700 plus \$50 per licensed program submitted for renewal.
- 2. Student Protection Fund Assessment** – For initial licensure, a certified check or money order in the amount of \$1,250 made payable to the North Carolina State Treasurer is required. Thereafter, the annual Student Protection Fund Assessment is based on gross tuition revenue as defined in N.C.G.S. §115D-95.1.
- 3. Bond** - All schools are required to obtain a guarantee insurance bond. The bond covers the potential loss of prepaid tuition and other payments made by students by reason of their school ceasing to operate for any reason, including the suspension, revocation, or nonrenewal of a school's license, bankruptcy, or foreclosure. The minimum bond coverage must be \$25,000. The cost of the bond varies depending on the insurance provider selected.



**8. Explain the need for the school in the proposed location and document specific employment opportunities for students who complete the programs you want to offer.**

Number of currently available employment opportunities in NC  and in the U.S.

Source: \_\_\_\_\_

**9. List similar schools or programs already established near the proposed location that you will compete against.**

**10. Business Practices – Answer “YES” or “NO” to the following questions. If the answer to any question is “No” explain on a separate sheet of paper.**

A. Is the school an educational institution?

B. Is the school privately owned?

C. Does (or will) the school have a physical presence in NC?

D. Does the school offer vocational instruction to individuals who have completed secondary education or are beyond compulsory high school attendance and have demonstrated an ability to benefit from the instruction?

E. Does the school charge tuition or fees for the instruction?

F. Does the school train or offer to train students in a program leading toward examination for licensing in a profession/vocation; employment at the beginning or advanced level; or a post-secondary credential below an associate degree?

**11. Additional Information – Answer “YES” or “NO” to the following questions. If the answer to any question is “Yes” explain on a separate sheet of paper.**

A. Is the school a non-profit charity that doesn't charge tuition or fees?

B. Is the school operated by a religious institution offering only religious-based instruction?

C. Are classes exclusively maintained to train the school's employees, where no tuition or fee is charged?

D. Is the instruction offered by a fraternal society, civic club, or benevolent order, in which the courses are not operated for profit?

E. Are you aware of another existing licensing or approving board or agency in NC that would have oversight over the school?

F. Is the training or instruction exclusively offered to acquaint purchasers or users with equipment the school sells?

G. Are the classes avocational, recreational, self-improvement, or continuing education for already trained and occupationally qualified individuals?

H. Is the school an 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?

I. Has the school continuously conducted post-secondary degree activity in North Carolina under the same publicly registered name or series of publicly registered names since July 1, 1972?