

SUBCHAPTER 300. LICENSURE

2A SBCCC 300.1 Application for Initial License

- (a) Any person or persons operating a proprietary 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.
- (b) Any person or persons seeking to operate a proprietary school that requires licensure shall submit a preliminary application 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. The final application shall be verified and accompanied by the following:
 - (1) A certified check or money order made payable to the North Carolina State Treasurer in the amount established by the State Board of Proprietary Schools and published annually under the North Carolina Proprietary School Fee Schedule;
 - (2) 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 guaranty bond amount or an alternative to a guaranty 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 twenty five thousand dollars (\$25,000);
 - (3) A certified check or money order for the Student Protection Fund in the amount of one thousand two hundred and fifty dollars (\$1,250) made payable to the North Carolina State Treasurer;
 - (4) 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);
 - (5) 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;

- (6) 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.)
 - (7) 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.)
 - (8) Enrollment application or student contract form;
 - (9) 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;
 - (10) 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; and
 - (11) If the building is not owned by the school, a photostatic copy of the lease held by the school for the space occupied.
- (c) A person or persons purchasing a proprietary school already operating as a licensed school shall comply with all of the requirements for securing an initial 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.
- (d) Remote sites shall not have any administrative staff or any administrative functions such as recruiting, accounting or record keeping. Each remote site shall be subject to an initial remote site fee and an annual renewal fee to be paid by a certified check

or money order made payable to the North Carolina State Treasurer, in the amount established by the SBPS and published annually under the North Carolina Proprietary School Fee Schedule. Each remote site shall have an initial site visit and a visit during each annual audit.

- (e) 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.
- (f) 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.
 - (1) Program additions require curriculum reviews and program or course approvals prior to initiation. A certified check or money order in the amount established by the SBPS and published annually under the North Carolina Proprietary School Fee Schedule made payable to the North Carolina State Treasurer shall accompany each additional program approval request.
 - (2) 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 established by the SBPS and published annually under the North Carolina Proprietary School Fee Schedule to be paid by a certified check or money order made payable to the North Carolina State Treasurer.
 - (3) School relocations require site visits and approvals prior to use. A certified check or money order in the amount established by the SBPS and published annually under the North Carolina Proprietary School Fee Schedule made payable to the North Carolina State Treasurer shall accompany each site relocation approval request.
 - (4) Other site assessment visits, such as for program additions and revisions, shall require a certified check or money order made payable to the North Carolina State Treasurer in the amount established by the SBPS and published annually under the North Carolina Proprietary School Fee Schedule.

History Note: Authority G.S. 115D-88; 115D-89; 115D-90; 115D-91; 115D-92; 115D-95.1; Eff. September 1, 1993; Amended Eff. [August 1, 2014](#); July 1, 2010; August 13, 2005; December 1, 2004.

2A SBCCC 300.2 Application for License Renewal

- (a) All licenses issued shall expire on June 30.
- (b) All issued licenses shall extend from July 1 through June 30, inclusive; except that any license initially issued on or after April 1 shall expire on June 30 of the following calendar year.
- (c) Schools desiring the renewal of their license shall submit an application on or before March 15 of each year. The application shall be accompanied by the following:
 - (1) All information required of schools applying for an initial license that has not been previously submitted;
 - (2) For a school that has been licensed for one year but less than six years, verification that the guaranty bond or alternative to the guaranty bond is in an amount equal to the greatest amount of unearned paid tuition in the school's possession at any time during the prior fiscal year. This verification shall be in the form of quarterly reports to the President of the North Carolina Community College System evaluating the amount of the guaranty bond or alternative to the guaranty bond. Quarterly evaluation reports requiring an increase of five percent or more in the amount of the bond held by the school must show an immediate increase in the bond amount at the time of the evaluation. At the time of the school's annual license renewal, the guaranty bond or alternative to the guaranty bond shall be an amount equal to the greatest amount of unearned paid tuition in the school's possession at any time during the prior fiscal year;
 - (3) Copy of current catalog containing all information required of schools applying for initial license; and
 - (4) Any supplementary information necessary to bring information on the school up to date.

- (d) A certified check or money order in the amount established by the SBPS and published annually under the North Carolina Proprietary School Fee Schedule made payable to the North Carolina State Treasurer shall be received on or before March 15.
- (e) Proprietary schools shall make payment to the Student Protection Fund in the amount set forth in G.S. 115D-95.1. The full and timely payment into the Student Protection Fund is a condition of licensure. The State Board of Community Colleges shall not refund any payment to the Student Protection Fund in the event that a school's license is suspended or revoked.
- (f) Proprietary schools shall make adjustments to the guaranty bond or alternative to the guaranty bond requirements of schools based on G.S. 115D-95. A guaranty bond or alternative to the guaranty bond shall be required for license renewal for a school that has been continuously licensed to operate for more than five years in the State, as follows:
 - (1) If the balance of the Student Protection Fund in G.S. 115D-95.1 is below the catastrophic loss amount, the school shall file a guaranty bond or alternative to the guaranty bond in an amount equal to the maximum amount of prepaid tuition held by the school during the prior fiscal year multiplied by the percentage amount the fund is deficient.
 - (2) If the school held prepaid tuition in excess of the Student Protection Fund catastrophic loss amount during the prior fiscal year, in addition to any guaranty bond or alternative to a guaranty bond amount required by Subparagraph (1) of this Paragraph, the school shall file a guaranty bond for the difference between the prepaid tuition amount held in the previous fiscal year and the Student Protection Fund catastrophic loss amount.
- (g) The SBPS will tabulate the balance of the Student Protection Fund as of December 31 of each year and establish the percentage amounts identified in Subparagraph (e)(1) of this Rule.

History Note: Authority G.S. 115D-89; 115D-91; 115D-92; 115D-95.1; S.L. 2009-562 s.4; Eff. September 1, 1993;

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

2A SBCCC 300.3 Application to Amend License

Reserved for Future Codification

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

Eff. September 1, 1993;

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

2A SBCCC 300.4 Application Upon Sale of Proprietary School

Reserved for Future Codification

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

Eff. September 1, 1993;

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

2A SBCCC 300.5 Suspension, Revocation, or Failure to Renew License

REPEALED by State Board of Community Colleges, eff. 1 August 2014.

History Note: Authority G.S. 115D-93; 150B-22 thru 150B-37;

Eff. September 1, 1993;

Amended Eff. December 1, 2004;

Repealed Eff. [August 1, 2014](#).

2A SBCCC 300.6 North Carolina Proprietary School Fee Schedule

Each proprietary school subject to Article 8 of Chapter 115D shall make payment as directed by the SBPS according to the following fee schedule:

(1) Initial license - \$3,200 plus \$50 per program submitted for licensure.

- (2) Annual license renewal - \$1,700 plus \$50 per licensed program renewed; \$200 for each new program submitted for licensure. Any license renewal application postmarked after March 15th shall be assessed a \$500 late fee.
- (3) Program additions submitted at any point outside of the annual license renewal period - \$200.
- (4) Program revisions - \$200.
- (5) School relocations - \$500.
- (6) Remote sites - \$1,000 initial site fee, plus annual renewal fee of \$750.
- (7) Site assessments to verify statutory or SBCC Code compliance, or to approve program additions or changes - \$500.

History Note: Authority G.S. 115D-89.3; 115D-92;

Eff. [August 1, 2014](#);

Amended Eff. [February 1, 2017](#); [February 1, 2015](#).