

State Board of Proprietary Schools
North Carolina Community Colleges System Office
State Board Room, Raleigh, NC
February 3, 2017
10:00 a.m.

CALL TO ORDER

Following proper public notification, Chair Scott Aaron called the meeting of the State Board of Proprietary Schools to order at 10:05 a.m.

Members present: Scott Aaron, John Dodson, Frank Emory, and John Pettitt. Victor Riley attended telephonically.

Also present: Scott Corl, Executive Director of Office of Proprietary Schools, Rasheeda McAllister, Program Auditor for Office of Proprietary Schools. Q. Shanté Martin, General Counsel for the North Carolina Community College System, attended telephonically.

ETHICS AWARENESS & CONFLICT OF INTEREST

Mr. Aaron reminded Board members of the ethical requirements for those who serve as public servants and requested that members identify any conflicts or potential conflicts of interest that they may have with respect to any item on the agenda. No conflicts were announced.

APPROVAL OF MINUTES

Mr. Aaron requested a motion for approval of the Minutes of the November 4, 2016 meeting of the State Board of Proprietary Schools. Mr. Dodson made a motion to approve the minutes as drafted. Mr. Emory seconded the motion and the minutes were unanimously adopted by the Board by voice vote.

APPROVAL OF AGENDA

Mr. Aaron requested a motion for approval of the meeting Agenda. Mr. Pettitt made a motion to approve the Agenda as presented. Mr. Emory seconded, and the Agenda was unanimously adopted by the Board by voice vote.

DIRECTOR'S REPORT

- As of January 31, 2017, the balance of the General Education Fund was \$514,849; the balance of the Student Protection Fund was \$789,621.
- Priority Nursing College Update – The school's license was revoked by the Community College Board effective November 18, 2016. Bond claims totaling \$23,310 were submitted in early January, 2017.
- National Personal Training Institute of NC (Raleigh) – The school closed without advanced notice to OPS effective January 24, 2017. OPS has contacted students and is gathering information necessary to make bond claims.
- The Board was updated on various accreditation actions impacting Charlotte School of Law, Living Arts College, Living Arts Institute, Miller-Motte College -Raleigh, Miller-Motte College – Wilmington, and Virginia College.
- The Board was updated on the status of alternate accreditation for schools accredited by ACICS: Brightwood College, King's College, Living Arts College, Living Arts Institute, all NC campuses of Miller-Motte College, and Virginia College.

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- Bond Reports - All schools required to report have done so; 2 schools needed to increase their bonds and OPS has verified all increases.

LEGISLATIVE PROPOSAL

After discussion of the Board's structure in the proposed bill to separate from the Community College System, Mr. Emory motioned to amend the draft bill to revert the structure of the Proprietary Board back to how it currently appears in the proprietary school statute (115D-89.1) with 7 voting members, including the President of the Community College System or the President's designee. Mr. Pettitt abstained. Mr. Riley seconded, and the Board unanimously approved the motion. Mr. Riley motioned to maintain reporting requirements of the State Board of Proprietary Schools to the Community College Board. Mr. Pettitt abstained. Mr. Dodson seconded, and the Board unanimously approved the motion. To better protect students, Mr. Pettitt motioned to increase the "catastrophic loss amount" in the draft bill to one million, five hundred thousand dollars (\$1,500,000), and the reserve "fund cap" to two million dollars (\$2,000,000). Mr. Emory seconded, and the Board unanimously approved the motion. Mr. Corl will present the requested changes to the bill's sponsors.

CYANNA EDVERA STATE REGULATION SOFTWARE PRODUCT

After proper discussion, Mr. Emory motioned to approve a 1-year renewal term for the proposed contract with Cyanna. Mr. Riley seconded, and the Board unanimously approved a 1-year renewal term. Mr. Corl will work with CYANNA representatives and the Community College System legal department to finalize the draft contract.

RECOMMENDATIONS FOR INITIAL LICENSING

Mr. Dodson motioned to move into closed session pursuant to North Carolina General Statute §143-318.11(a)(1) to prevent the disclosure of information that is confidential or privileged pursuant to North Carolina General Statute §132-1.2(1). Mr. Emory seconded and the motion was unanimously adopted by voice vote. After discussion and consideration, Mr. Pettitt made a motion to return to open session. Mr. Emory seconded, and after unanimous approval, the Board reconvened to open session.

The State Board of Proprietary Schools unanimously voted to recommend initial licensing of:

1. Shades of Purple (Raleigh, NC) – Motion by Mr. Dodson; seconded by Mr. Emory.

NEW BUSINESS

Mr. Aaron inquired whether there was any new business to bring before the Board. No new business was announced.

ADJOURN

There being no further business to come before the Board, Mr. Aaron requested a motion to adjourn. After properly motioned and seconded, Mr. Aaron adjourned the meeting at approximately 11:50 a.m.