

## STATE BOARD OF COMMUNITY COLLEGES

### Recommendation for Student Repayment

Pursuant to North Carolina General Statute § 115D-95.1, the State Board of Proprietary Schools recommends the State Board of Community Colleges issue repayment to former students of National Personal Training Institute of Charlotte as provided herein.

#### **National Personal Training Institute of Charlotte**

National Personal Training Institute of Charlotte was initially licensed as a proprietary school by the State Board of Community Colleges in 2008. It was subsequently approved by the North Carolina State Approving Agency for the GI Bill. On May 27, 2022, the school's owners advised the Office of Proprietary Schools (OPS) the acting Director misappropriated student tuition funds and they were taking legal action to recover the missing money. On June 15<sup>th</sup>, the State Approving Agency advised OPS it was withdrawing the school's approval. To the knowledge and understanding of OPS, NPTI of Charlotte has ceased all enrollment and is unable to refund seven impacted students. The school was not statutorily required to have a bond for license year July 1, 2021 – June 30, 2022. The Student Protection Fund should therefore be used to reimburse students.

#### **Student Protection Fund - North Carolina General Statute § 115D-95.1**

The Student Protection Fund is established in the Department of State Treasurer. The purpose of the Fund is to compensate students who have suffered a loss of tuition, fees, or any other instructional-related expenses paid to a proprietary school 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 if the school ceases to operate for any reason, including the suspension, revocation, or nonrenewal of a school's license, bankruptcy, or foreclosure. The State Board of Proprietary Schools serves as the Student Protection Advisory Committee. The Committee advises the State Board of Community Colleges on matters related to the Fund.

Student Repayment. - A student, or the student's parent or guardian, who suffered a loss of tuition, fees, or any other instructional-related expenses may qualify for repayments under the Student Protection Fund. The State Board of Community Colleges first must issue repayment from the bonds issued under G.S. 115D-95. If the Student Protection Fund is insufficient to cover the qualified claims, the State Board must develop a method of allocating funds among claims.

#### **Recommendation for Student Repayment**

Pursuant to action taken during a July 1, 2022 special meeting, the Proprietary Board recommends the State Board of Community Colleges reimburse former National Personal Training Institute of Charlotte students as follows:

- The sum of fifty thousand dollars (\$50,000) should be transferred from the Student Protection Fund to the Community College System Office and held in escrow pending a final distribution to students.
- Refunds totalling approximately forty thousand dollars (\$40,000) should be made to the seven (7) known students, pending any necessary adjustments or requirements of the VA.
- All remaining monies should be held in escrow by the Community College System Office pending additional claims. After a final accounting, any remaining funds should be transferred back to the Student Protection Fund held in the Department of State Treasurer.