

PROPRIETARY SCHOOLS OF NORTH CAROLINA

ANNUAL REPORT: 2016

***Submitted by the State Board of Proprietary Schools to the North Carolina Board of
Community Colleges Pursuant to §115D-89.3 of the North Carolina General Statutes.***

NORTH CAROLINA GENERAL STATUTE 115D-89.3

Pursuant to North Carolina General Statute §115D-89.3, the State Board of Community Colleges shall receive a written report annually from the State Board of Proprietary Schools to include the number of schools receiving initial licenses during the previous year, a list of currently licensed proprietary schools, school closures during the previous year, including a complete report of actions concerning any catastrophic closures, complaints received and resulting decisions or actions, total fees received, and balances of the Commercial Education Fund and the Student Protection Fund.

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ANNUAL REPORT SUMMARY

1. Initially Licensed Schools 2015-2016: 14 ----- (Table A, Page 5)
2. Proprietary School Closures 2015-2016: 9 ----- (Table B, Page 5)
3. Student Complaints and Resulting Actions: 3 ----- (Table C, Page 7)
4. Licensed Proprietary Schools 2016-2017: 84 -----(Table D, Page 8)
5. Total License Fees Received 2015-2016: \$235,900 --(Table E, Page 11)
6. Commercial Education Fund Balance: \$591,378.03 -- (Table F, Page 11)
7. Student Protection Fund Balance: \$779,953.48 ----- (Table F, Page 11)

INITIALLY LICENSED SCHOOLS**(2015-2016)**

Fourteen proprietary schools were initially licensed during the 2015-2016 fiscal year. Eleven applied and received licensure renewal for fiscal year 2016-2017(*).

TABLE A: Initially Licensed Proprietary Schools, 2015-2016

*Charlotte School of Law	*D.A. Academy of North Carolina
Hands On Dental Assistant Academy	*Kaplan College
*Southern College of Health Sciences	*Life Time Academy
*The Iron Yard -Durham	*The Iron Yard -Charlotte
*Umanah Healthcare Institute -Monroe	*Unity Nursing Institute
*Victory Health Career Center	*The Iron Yard -Raleigh
Young Healthcare Training Institute	Palmetto School of Career Development

Note: The Iron Yard–Durham, Kaplan College, and Life Time Academy were sold during the 2015-16 licensing year. As a result, the new owners were required to apply for initial licensing.

PROPRIETARY SCHOOL CLOSURES**(2015-2016)**

Nine proprietary schools failed to renew their license for 2016-2017. All schools were notified in writing that their proprietary school license expired by statute on June 30, 2016. There were two catastrophic closures during the 2015-2016 licensing year (*).

TABLE B: Proprietary School Closures, 2015-2016

Astro Code School [Licensed: 2015]	Inovatech College of Business [Licensed: 2004]
*Brookstone College of Business –Charlotte [Licensed: 1987]	Palmetto School of Career Development [Licensed: 2015]
*Brookstone College of Business –Greensboro [Licensed: 1984]	Provision Learning Center [Licensed: 2014]
Eliada School of Trade Arts [Licensed: 2013]	Young Healthcare Training Institute [Licensed 2015]
Hands On Dental Assistant Academy [Licensed: 2015]	

***Brookstone College of Business Closings**

Brookstone College of Business had a history dating back 70 years. The Greensboro campus had been licensed approximately 31 years. The Charlotte campus had been licensed approximately 28 years. Both schools filed timely license renewal applications for fiscal year July 1, 2015 – June 30, 2016, and paid all applicable fees. The schools were accredited by the Accrediting Counsel for Independent Colleges and Schools (ACICS) and their Medical Assisting programs were CAAHEP accredited.

On or about Wednesday, May 13, 2015, Brookstone College of Business (Charlotte and Greensboro) publicly announced it was closing (<http://www.brookstone.edu/>). The closings occurred without prior notice to students or the State Board of Community Colleges as required by the schools' teach-out plans.

According to the owner, 205 students were enrolled at the schools at the time of the closings. On or about May 21, 2015, the owner indicated that 60 students would complete their respective programs through final teach-outs, leaving the number of students impacted at 145. On June 12, 2015, the owner indicated that an additional 47 students had transferred to teach-out partner schools, leaving the number of outstanding students at 98.

On June 19, 2015, the State Board of Community Colleges voted to renew the proprietary school licenses of the schools to allow as many students as possible to complete their respective programs. The issued licenses were specifically limited to completing a teach-out for currently enrolled students--no further enrollment or collection of tuition or fees was authorized.

The majority of Brookstone's student records are now in the custody of the North Carolina State Archives. Students may request their transcripts using the instructions on the Archives website. Students unable to locate their records at the Archives are directed to the Office of Proprietary Schools. The Office has forwarded all such requests to the school owner, and he has been cooperative in this process.

Brookstone completed all applicable student teach-outs in or about October, 2015. Certificates and diplomas were processed and mailed to students in November, and most academic files were transferred to the State Archives. The schools completed a Department of Education close-out audit on or about December 4, 2015. All remaining academic files will be transferred to the State Archives once DOE takes final action on the audit. As of this report, the Office of Proprietary Schools has not been notified by DOE regarding a final action on the close-out audit.

The Office of Proprietary Schools has not received complaints specific to the schools' closures. It is aware, however, that a private lawsuit was filed against the school and owner. The Office will continue to provide updates to the Community College Board regarding the closures.

STUDENT COMPLAINTS RECEIVED**(2015-2016)**

The Office of Proprietary Schools has a written procedure for handling student complaints. The complaint procedure and appropriate forms are posted online at:

<http://www.nccommunitycolleges.edu/proprietary-schools>.

TABLE C: Student Complaints Received, 2015-2016

Complaints received 2015-2016	Actions Taken
Complaint 1	Allegations did not establish violation
Complaint 2	Parties agreed to resolve complaint
Complaint 3	Allegations did not establish violation

***Complaint #1:**

On or about July 6, 2015, the Office of Proprietary Schools received a student complaint involving a proprietary school located in Charlotte. The Complaint alleged the student was not provided with a completion certificate.

On July 17, 2015, the Office of Proprietary Schools received a written response from the institution stating that the student was not provided with the certificate because she owed the school approximately \$600—a policy provided to students in its catalog and enrollment agreement.

After reviewing the student’s Complaint, the institutional response with supporting documentation (student grade history and ledger card), school catalog and enrollment agreement, and additional information provided by the student and school, the Office of Proprietary Schools determined the allegations did not establish a violation of licensing standards or any serious deviation of educational standards imposed by the State Board of Community Colleges.

Complaint 2:

On August 18, 2015, the Office of Proprietary Schools received a student complaint involving a proprietary school located in Jacksonville. The Complaint alleged the school did not properly supervise students in the Nurse Aide I program and requested a full refund.

The Office of Proprietary Schools received a written response from the school outlining its position for refusing to refund the student’s tuition. The school provided documentation that

the student was removed from the program for violation of the school’s attendance policy as provided to the student in the catalog and enrollment agreement. The school also provided documentation that the student was sponsored for the program by a third-party and did not pay out-of-pocket. The parties then entered into a private agreement resolving the complaint. The Office of Proprietary Schools contacted and verified that the third-party was fully-refunded by the school.

Complaint 3:

On or about August 13, 2015, the Office of Proprietary Schools received a student complaint involving a proprietary school located in Charlotte. The Complaint alleged that the student was verbally told the school was accredited and requested a full refund.

On September 2, 2015, the Office of Proprietary Schools received a written response from the school’s owner denying that the student was told the school was accredited and the student was not entitled to a refund.

After reviewing the student’s Complaint, the institutional response with supporting documentation (student grade history and ledger card), school catalog and enrollment agreement, interviews with witnesses provided by the student, and additional information provided by the student and school, the Office of Proprietary Schools determined the allegations did not establish a violation of licensing standards or any serious deviation of educational standards imposed by the State Board of Community Colleges.

LICENSED PROPRIETARY SCHOOLS

(2016 - 2017)

On May 20, 2016, the State Board of Community Colleges approved license renewals for 81 proprietary schools.

TABLE D: Renewal Licenses, FY 2016-2017 (81)

American Academy of Healthcare	Gericare Education and Training	New Horizons Computer Learning Centers -Charlotte
Animal Behavior Institute	Guiding Lights Caregiver Training Institute	New Horizons Computer Learning Centers - Greensboro

**Art Institute of Charlotte	Harris Training Institute	New Horizons Computer Learning Centers of Central and Eastern NC
**Art Institute of Raleigh-Durham	Healthcare Institute of Charlotte II	Piedmont Dental Assistants
Astinix Institute	Highland Canine Training	Piedmont Online Institute
Brightwood College	Ideal Health Institute	Pit Instruction and Training
Care One Health Training Institute - Fayetteville	King's College	Priority Nursing College
Care One Health Training Institute - Raleigh	Lake Norman Dental Assisting School	ProTrain
Caring For Life –Castle Hayne	Life Time Academy	Sandhills Dental Career Center
Caring For Life -Jacksonville	Living Arts College -Raleigh	Serenity Nurse Aide Academy
Carolina School of Broadcasting	Living Arts Institute –Winston Salem	South College -Asheville
CarWil Learning Academy	**Miller-Motte College -Cary	Southeastern Institute
**Center for Employment Training	**Miller-Motte College - Fayetteville	Southern College of Health Sciences
*Center for Montessori Teacher Education	**Miller-Motte College - Greenville	Sunrise School of Dental Assisting -Fayetteville
Charlotte School of Law	**Miller-Motte College - Jacksonville	Sunrise School of Dental Assisting -Greensboro
Chosen Healthcare Institute	**Miller-Motte College - Raleigh	Sunrise School of Dental Assisting -Raleigh

College of Wilmington	**Miller-Motte College - Wilmington	The Iron Yard -Charlotte
*Connecticut School of Broadcasting	More Than Conquerors College	The Iron Yard -Durham
D.A. Academy of NC	Mount Eagle College	The Iron Yard -Raleigh
Dental Assistant Academy of Charlotte	MyComputerCareer.com	The Medical Arts School
Dental Assistant Training Centers	NASCAR Technical Institute	Triangle Nurse Aide Program
Dental Staff Institute	*National Personal Training Institute of Charlotte	Umanah Healthcare Institute -Charlotte
Discovery Diving Co.	National Personal Training Institute of North Carolina	Umanah Healthcare Institute -Gastonia
Divine Health Academy	NCDATS -Charlotte	Umanah Healthcare Institute -Monroe
ECPI University -Charlotte	NCDATS -Durham	Unity Nursing Institute
ECPI University -Greensboro	NC Dental U -Greenville	Victory Health Career Center
ECPI University -Raleigh	NC Dental U –Wake Forest	Virginia College

***Recommendation is contingent upon submission of quarterly financial reports (July 1, 2016 – June 30, 2017).**

****Recommendation is contingent upon submission of quarterly financial reports (July 1, 2016 – June 30, 2017), as well as immediate notification of any change in heightened cash monitoring (HCM) or accreditation status.**

TABLE D: Initial Licenses, FY 2016-2017 (3)

On May 20, 2016, the State Board of Community Colleges approved initial licensing for 3 proprietary schools.

SCHOOL	LOCATION
Coder Foundry	Charlotte, North Carolina
Coder Foundry	Kernersville, North Carolina
The New York Code and Design Academy	Morrisville, North Carolina

TOTAL FEES RECEIVED**(2015-2016)****TABLE E: Total Fees Received, 2015-2016****(Licensing Fee Receipts)**

Fiscal Year	Receipts Collected	Year-End Balance
2015-2016	\$235,900.00	\$591,378.03
2014-2015	\$199,500.00	\$528,401.37
2013-2014	\$171,800.00	\$494,215.83

(Student Protection Fund Receipts)

Fiscal Year	Receipts Collected	Year-End Balance
2015-2016	\$99,025.27	\$779,953.48
2014-2015	\$101,284.59	\$676,012.01
2013-2014	\$102,001.78	\$571,680.07

FUND BALANCES**(As of June 30, 2016)****TABLE F: Current Fund Balances**

COMMERCIAL FUND	EDUCATION STUDENT PROTECTION FUND
\$591,378.03	\$779,953.48