



HOUSE BILL 97: Community College Omnibus.

2023-2024 General Assembly

Committee:	Senate Education/Higher Education.	If Date:	May 29, 2024
	favorable, re-refer to Rules and Operations of the Senate		
Introduced by:	Reps. Gillespie, Willis, Torbett, Hardister	Prepared by:	Samantha Yarborough
Analysis of:	PCS to First Edition		Committee Counsel
	H97-CSBN-20		

OVERVIEW: *The 1st Edition of House Bill 97 would require the State Board of Community Colleges (SBCC) to create a four-year pilot program granting residents of certain border counties in Georgia in-State tuition at Tri-County Community College. Similar contents became law in Section 6.13 of the 2023 Appropriations Act (S.L. 2023-134).*

The PCS deletes the content of the 1st Edition and would instead do the following:

- *Reorganize Chapter 115D of the General Statutes and make necessary conforming changes.*
- *Make various changes to the requirements for proprietary schools.*
- *Allow students to take Career and College Ready Graduate courses in the summer before their high school senior year.*
- *Require the SBCC to conduct a request for information for a learning management system for all community colleges.*

CURRENT LAW and BILL ANALYSIS:

PARTS I and II:

Chapter 115D of the General Statutes governs the North Carolina Community Colleges System.

Part I reorganizes Chapter 115D as follows:

- Breaks Article 1, "General Provisions for State Administration," into four parts: 1. Establishment and Administration of the North Carolina Community Colleges System, 2. Administration of Local Community Colleges by State Board of Community Colleges, 3. Community College Programs, and 4. Students.
- Creates a new Article 2B, "High School Programs."
- Breaks Article 3, "Financial Support," into two parts: 1. Funding of Community Colleges and 2. Tuition and Fees.
- Repeals and recodifies statutes to place them in the appropriate Article and Part.

Part II makes the necessary conforming changes to reflect the reorganization of Chapter 115D.

PART III:

Article 8 of Chapter 115D of the General Statutes governs the licensure of proprietary schools. Proprietary schools are private educational institutions in North Carolina that offer postsecondary instruction in a program leading to a licensure exam, employment beginning at an advanced level, or a postsecondary credential below the associate degree level. Proprietary schools are regulated by the State Board of Proprietary Schools (State Board) and are required to meet certain bonding and fee requirements to be licensed to operate in the State, including contributing to the Student Protection Fund.

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House 97 PCS

Page 2

The State Board includes appointments by the General Assembly which must be owners or directors of proprietary schools of different sizes. Section 3(a) would adjust the size of the school representation to schools of less than 100 students and more than 100 students. This would apply to appointments made on or after the date the PCS becomes law.

Proprietary schools must have a policy providing a full refund to students who withdraw before the first day of classes and a 75% refund if a student withdraws within the first 25% of the period of enrollment. Section 3(b) would clarify that a proprietary school must have a policy that complies with federal law and provides a student with a full refund, including any nonrefundable fees, if a student withdraws or the school cancels class and a 75% refund, not including any nonrefundable fees, if the student withdraws before completing 25% of the period of enrollment. This would become effective July 1, 2024, and apply to any license issued or renewed on or after that date.

Proprietary schools must hold a minimum bond amount for initial licensure which may be increased during the first six years of operation as a result of a quarterly evaluation. Once a school has operated for more than five years, the required bond amount is dependent on the amount of prepaid tuition held by the school in the prior fiscal year and the balance of the Student Protection Fund. Section 3(c) would require all proprietary schools, regardless of the number of years of operation, to hold a bond that may be increased as a result of a quarterly evaluation.

The Student Protection Fund is used to compensate students enrolled in a proprietary school when it ceases operation. Each proprietary school is required to pay annually into the Fund based on its annual gross tuition revenue until the Fund reaches the cap amount or until the school has been continuously licensed to operate for more than eight years. Section 3(d) would increase the catastrophic loss amount of the Student Protection Fund from \$1,000,000 to \$1,500,000 and the cap amount from \$1,500,00 to \$2,000,000. The State Board would be required to suspend payments to the Fund as follows:

- For currently licensed proprietary schools, if the Fund balance equals or exceeds \$1,500,000.
- For schools applying for initial licensure, if the Fund balance equals or exceeds \$2,000,000.
- If the Fund balance decreases below \$1,500,000, all schools would be required to make payments.

Subsections (c) and (d) would become effective July 1, 2025, and apply to licenses issued or renewed on or after that date. Except as otherwise provided, Section 3 would become effective July 1, 2024.

PART IV

Section 10.13(a) of S.L. 2015-241 requires the SBCC, in consultation with the State Board of Education, to create a program to provide mathematics, reading, and English remediation to high school seniors.

Section 4 would allow students to receive the remediation during the summer prior to their senior year.

PART V

Section 5(a) would require the SBCC to conduct a request for information to provide a learning management system (LMS) to all community colleges by April 1, 2025. Answers to the request must include information about how the LMS would align with the systems offered by the Department of Public Instruction to the local school administrative units and used by the constituent institutions of The University of North Carolina.

Section 5(b) would require the SBCC to report by April 1, 2025, on the information received.

EFFECTIVE DATE: Except as otherwise provided, the PCS becomes effective when it becomes law.