



HOUSE BILL 97: Various Education Changes.

2023-2024 General Assembly

Committee:	Senate Education/Higher Education	Date:	June 12, 2024
Introduced by:	Reps. Gillespie, Willis, Torbett, Hardister	Prepared by:	Samantha Yarborough Committee Counsel
Analysis of:	Second Edition		

OVERVIEW: The 2nd Edition of House Bill 97 would 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 competitive solicitation for a learning management system for all community colleges.*
- *Provide flexibility to Fayetteville Technical Community College in entering a public/private partnership to construct or renovate an educational facility.*
- *Make changes to the AI School Safety Pilot Program.*
- *Make changes to the Special Needs Pilot Program.*
- *Increase the classroom hour requirement for massage therapy licensure.*

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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The State Board includes General Assembly appointees who 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 House Bill 97 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 subject to 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 equal to the greatest amount of unearned paid tuition in the school's position during the prior fiscal year. Bonds for proprietary schools in operation for fewer than six years would be subject to quarterly evaluations; bonds for schools in operation for six or more years would be subject to quarterly evaluations if the State Board deems it necessary.

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 and 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 \$1,500,000 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 competitive solicitation to provide a learning management system (LMS) to all community colleges by April 1, 2025. Answers to the competitive solicitation must include information about how the LMS would align with the systems (i) offered by the Department of Public Instruction to the local school administrative units and (ii) 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.

PART VI:

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Section 6 would allow Fayetteville Technical Community College (College) to enter a public/private partnership with an automotive services company to construct or renovate an educational facility without requiring prior approval by the SBCC or being subject to procurement and construction requirements of the Department of Administration. The following terms would apply to the partnership:

- Title to the real property would remain with the College.
- The company would incur at least 80% of the costs and no State funds could be used.
- The company would select its own designer, architect, and general contractor. All construction or renovation must be done in accordance with the relevant building codes.
- The College would lease the facility to the company for a term of 10 years with no monthly rental rate.
- The company would use up to 25% of the facility space to operate a retail establishment. The remaining 75% would be jointly used by the College and the company to provide automotive technology repair and maintenance training.

PART VI.1:

The Artificial Intelligence (AI) School Safety Pilot Program (Program) was created in the 2023 Appropriations Act (S.L. 2023-134) for New Hanover County Schools and Davidson County Schools to contract for a school safety system that integrates AI technology into existing systems. The participating public school units and the Department of Public Instruction will report to the Joint Legislative Education Oversight Committee by January 15, 2025 on the Program. Section 6.1 would require the public school units to contract with Vyze by Eviden for a system that offers threatening object detection, intruder detection, person down detection, door open detection, tag and track, facial recognition, forensic face search, and license plate reader.

PART VI.2:

The Special Needs Pilot Program was created in the 2023 Appropriations Act (S.L. 2023-134) for a special education digital intervention software platform in Alamance County Schools, Catawba County Schools, and Nash County Schools. Section 6.2 would change the participating local school administrative units to be Cabarrus County Schools, Union County Schools, and Vance County Schools. It would also require an interim report to be submitted by the Department of Public Instruction to the Joint Legislative Oversight Committee by June 30, 2025, with a final report due October 15, 2027.

PART VI.3:

Section 6.3 would increase the number of classroom hours required for massage therapy licensure from 500 to 650.

EFFECTIVE DATE: Except as otherwise provided, House Bill 97 would become effective when it becomes law.