



CHAPTER 115D
ARTICLE 8 - PROPRIETARY SCHOOLS

N.C.G.S. § 115D-95.1.

Student Protection Fund.

SOURCE General Statutes of North Carolina, as published by the General Assembly	LAST AMENDMENT IN THIS TEXT No amendment history on record	RETRIEVED 21 September 2026, 01:59 UTC	SOURCE FINGERPRINT 9752199ef4456a6d6765d37f - ea3bd5d1e7379884f7ab753c - 55bf0c6d3e31bbf5
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- § 115D-95.1(a)

Definitions. - As used in this section:

(1) "Catastrophic loss amount" means the amount of funds required to protect prepaid student tuition in case of a large-scale event that would draw against the Student Protection Fund. The amount is one million five hundred thousand dollars (\$1,500,000).

(2) "Fund cap amount" means the catastrophic loss amount plus a reserve amount. The amount is two million dollars (\$2,000,000).
- § 115D-95.1(b)

Student Protection Fund. - The Student Protection Fund is established in the Department of State Treasurer as a statewide fee-supported fund. Interest accruing to the Fund is credited to the Fund. The State Board of Proprietary Schools administers the Fund. The purpose of the Fund is to compensate students enrolled in a proprietary school licensed under this Article who have suffered a loss of tuition, fees, or any other instructional-related expenses paid to the 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.
- § 115D-95.1(c)

Student Protection Fund Advisory Committee. - The State Board of Proprietary Schools shall serve as the Student Protection Advisory Committee. The Committee shall advise the State Board of Community Colleges on matters related to the Fund,

including, but not limited to, the adjustment of the catastrophic loss amount and Fund cap amount.

§ 115D-95.1(d) Initial Payment. - Prior to its first year of operation in the State, each proprietary school shall pay an initial amount of one thousand two hundred fifty dollars (\$1,250) into the Fund.

§ 115D-95.1(e) Annual Revenue Payment. -

Each proprietary school operating in the State shall pay annually into the Fund an amount based on its annual gross tuition revenue generated in the State as follows:

Annual Gross Tuition Revenue	Amount of Assessment
\$1.00 - \$25,000	\$200.00
\$25,001 - \$50,000	\$250.00
\$50,001 - \$100,000	\$300.00
\$100,001 - \$200,000	\$400.00
\$200,001 - \$300,000	\$500.00
\$300,001 - \$400,000	\$600.00
\$400,001 - \$500,000	\$700.00
\$500,001 - \$750,000	\$1,000
\$750,001 - \$1,000,000	\$1,250
\$1,000,001 - \$1,500,000	\$1,500
\$1,500,001 - \$2,000,000	\$2,000
Greater than \$2,000,000	\$2,000 plus one-twentieth of one percent (.05%) of annual gross tuition revenue over \$2,000,000.

§ 115D-95.1(f) Suspension of Payments. - The State Board of Proprietary Schools shall suspend payments into the Fund, as follows:

(1) For schools that are currently licensed in this State, if the Student Protection Fund balance is equal to or exceeds the catastrophic loss amount.

(2) For schools applying for initial licensure with the State, if the Student Protection Fund balance is equal to or exceeds the fund cap amount.

- (3) If the Student Protection Fund balance decreases below the catastrophic loss amount, the State Board shall reinstate the requirement for schools to make payments into the Fund.

§ 115D-95.1(g) Catastrophic Assessments. - If claims against the Student Protection Fund exceed the catastrophic loss amount, the State Board of Proprietary Schools may assess additional fees to the extent necessary to compensate students qualified for repayment under the Fund. The amount of the catastrophic assessment shall not exceed one-half of the amount of the annual revenue payment required by subsection (e) of this section. If the amount of the catastrophic assessment will be insufficient to cover qualified claims, the State Board shall develop a method of allocating funds among claims.

§ 115D-95.1(h) Payment Required for Proprietary School Licensure. - The full and timely payment into the Fund pursuant to this section is a condition of licensure.

§ 115D-95.1(i) Payments Nonrefundable. - No payment to the Student Protection Fund shall be refunded in the event that a school's license application is rejected or a school's license is suspended or revoked.

§ 115D-95.1(j) Student Repayment. - A student, or the student's parent or guardian, who has suffered a loss of tuition, fees, or any other instructional-related expenses paid to a proprietary school licensed under this Article by reason of the school ceasing to operate for any reason, including the suspension, revocation, or nonrenewal of a school's license, bankruptcy, or foreclosure, 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.

§ 115D-95.1(k) Rules. - The State Board of Proprietary Schools shall adopt rules for the implementation of this section. (2009-562, s. 4; 2011-308, s. 9; 2024-57, s. 3J.18(d).)

END OF SECTION TEXT

APPARATUS FOLLOWS — DERIVED, NOT ENACTED

APPARATUS II
1 AUTHORITY

Authorities referenced

Every G.S. cross-reference appearing in the text of this section, in order of first appearance. Nothing is characterized; the operative language is quoted from the section itself.

REFERENCE	APPEARS IN	OPERATIVE LANGUAGE IN THIS SECTION
G.S. 115D-95	(i)	"repayment from the bonds issued under"

APPARATUS III

Citation

FULL SECTION
N.C. Gen. Stat. § 115D-95.1 (2026).

PINPOINT
N.C. Gen. Stat. § 115D-95.1(a) (2026).

Pinpoint keys are set in the left margin of the text rather than line numbers: subsection designators are stable across editions and paper sizes, line numbers are not.

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