

**GENERAL ASSEMBLY OF NORTH CAROLINA**

**SESSION 1989**

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SENATE BILL 854

Short Title: Proprietary School Study.

(Public)

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Sponsors: Senator Martin of Guilford.

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Referred to: Rules.

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April 12, 1989

A BILL TO BE ENTITLED

AN ACT TO CREATE A LEGISLATIVE STUDY COMMISSION ON  
PROPRIETARY SCHOOLS.

The General Assembly of North Carolina enacts:

Section 1. The Legislative Study Commission on Proprietary Schools is created. The Commission shall consist of 14 members: 7 appointed by the President Pro Tempore of the Senate, at least 4 of whom are members of the Senate, and 7 appointed by the Speaker of the House of Representatives, at least 4 of whom are members of the House of Representatives.

Sec. 2. The President Pro Tempore of the Senate shall designate one Senator as cochairman and the Speaker of the House of Representatives shall designate one Representative as cochairman.

Sec. 3. The Commission shall investigate, study, and make recommendations in connection with proprietary schools that offer, or purport to offer, associate degrees or diplomas. The scope of the study shall include the following:

- (1) The extent to which the schools are capitalized;
- (2) The extent of their operating reserves;
- (3) Their assets and liabilities, and profit and loss information;
- (4) Other matters related to their financial integrity;
- (5) The adequacy of their facilities, equipment, and faculty and staff qualification;
- (6) Their advertising, sales and promotional practices and activities;
- (7) Any benefits, including the quality of education, received by students who enroll in the schools programs;

- 1 (8) Benefits received by students who enroll in the schools compared to  
2 benefits that would be available through community college and  
3 university programs;
- 4 (9) The proportion of students enrolled in proprietary school programs  
5 who are eligible and academically prepared for admission to  
6 community college or university programs;
- 7 (10) Why students who were eligible and academically prepared for  
8 admission to community college or university programs chose to enroll  
9 in proprietary schools;
- 10 (11) How students who completed proprietary school programs assess the  
11 quality of education and preparation they received;
- 12 (12) Any regulatory and licensing changes that should be made;
- 13 (13) The appropriateness and integrity of governance structures and  
14 processes; and
- 15 (14) An examination of other states' methods of regulation and licensing of  
16 proprietary schools.

17 Sec. 4. The Commission shall submit an interim report of its findings and  
18 recommendations to the General Assembly on or before April 1, 1990, and a final report  
19 on or before February 1, 1991, by filing the reports with the President Pro Tempore of  
20 the Senate and the Speaker of the House of Representatives. Upon filing its final report,  
21 the Commission shall terminate.

22 Sec. 5. The Commission, while in the discharge of official duties, may  
23 exercise all the powers provided for under the provisions of G.S. 120-19, and G.S. 120-  
24 19.1 through G.S. 120-19.4. The Commission may meet at any time upon the joint call  
25 of the cochairmen. The Commission may meet in the Legislative Building or the  
26 Legislative Office Building.

27 Sec. 6. Members of the Commission who are legislators shall receive  
28 subsistence and travel expenses at the rates set forth in G.S. 120-3.1. Other members  
29 shall receive travel and subsistence expenses in accordance with G.S. 138-5.

30 Sec. 7. The Commission may contract for professional, clerical, or consultant  
31 services as provided by G.S. 120-32.02. The Legislative Services Commission, through  
32 the Legislative Administrative Officer, shall assign professional staff to assist in the  
33 work of the Commission. The House of Representatives' and the Senate's Supervisors of  
34 Clerks shall assign clerical staff to the Commission or committee, upon the direction of  
35 the Legislative Services Commission. The expenses relating to clerical employees shall  
36 be borne by the Commission.

37 Sec. 8. When a vacancy occurs in the membership of the Commission the  
38 vacancy shall be filled by the same appointing officer who made the initial appointment.

39 Sec. 9. All State departments and agencies and local governments and their  
40 subdivisions shall furnish the Commission with any information in their possession or  
41 available to them.

42 Sec. 10. There is appropriated from the General Fund to the General  
43 Assembly for fiscal year 1989-90 the sum of twenty-five thousand dollars (\$25,000) and

- 1 for fiscal year 1990-91 the sum of twenty-five thousand dollars (\$25,000) for the  
2 expenses of the Commission.  
3           Sec. 11. This act shall become effective July 1, 1989.