
Policy on Teach-Out Plans and Teach-Out Agreements (Revised Policy)

- I. Federal regulations implementing the Higher Education Act require that accrediting agencies require a teach-out plan and if practicable, teach-out agreement, from an affiliated institution in the event of any of the following circumstances below:
 - A. The Department of Education notifies the Commission:
 - a. of a determination by the independent auditor of a non-profit or proprietary institution expressing doubt with the institution's ability to operate as a going concern or indicating an adverse opinion or a finding of material weakness related to financial stability;
 - b. that the institution is participating in title IV, HEA programs under a provisional program participation agreement and the Department has required a teach-out plan as a condition of participation;
 - c. that it has placed the institution on the reimbursement payment method as defined in federal regulations or the heightened cash monitoring payment method requiring the Department's review of the institution's supporting documentation;
 - d. that the Department has initiated an emergency action against the institution in accordance with federal regulations, or an action to limit, suspend, or terminate an institution participating in any title IV, HEA program; and that a teach-out plan is required;
 - B. A State licensing or authorizing agency notifies the Commission that an institution's license or legal authorization to provide an education program has been or will be revoked;
 - C. The Commission acts to:
 - a. place the institution on probation or equivalent status; or
 - b. withdraw the accreditation or candidacy status of an institution;
 - D. The institution notifies the Commission if:
 - a. it intends to cease operations entirely; or
 - b. it intends to close a location that provides 100% of at least one program, including if the location is being moved and is considered by the Department of Education to be a closed school.
- II. Should any of these circumstances occur, the institution should immediately contact Commission staff regarding the development of a teach-out plan. A teach-out plan is a written plan that provides for the equitable treatment of students if an institution of higher education ceases to operate or ceases instruction at one or more locations that

provide 100% of at least one degree program or in one or more degree programs before all students have completed their program of study.

A. The Commission will approve a teach-out plan if it:

- a. is consistent with applicable standards (see Standard 4.9);
- b. provides assurance that the institution will maintain the necessary experience, resources, and support services to provide an educational program that is of acceptable quality and reasonably similar in content, structure, and scheduling to that promised to the students upon enrollment;
- c. demonstrates the institution's stability and ability to carry out its mission and meets all obligations to existing students;
- d. offers the program to students without additional charge over what had been previously in place when the institution conducts the teach-out without involving another entity, or, if another entity is involved, provides the names of other institutions that offer similar programs that could potentially enter in to a teach-out agreement with notification to students of any additional charges;
- e. includes a complete list of students currently enrolled in each program at the institution and the program requirements each student has completed;
- f. provides evidence that students completing the teach-out would meet curricular requirements for licensure or certification, if any;
- g. provides all potentially eligible students with information about how to obtain a closed school discharge and, if applicable, information on State refund policies.

III. The Commission requires a candidate or accredited institution that enters into a teach-out agreement, either on its own or at the request of the Commission, to submit that teach-out agreement for approval. A teach-out agreement is defined as "a written agreement between institutions that are accredited or preaccredited by a nationally recognized accrediting agency that provides for the equitable treatment of students if one of those institutions stops offering an educational program before all students enrolled in that program complete the program."

A. A teach-out agreement will be approved if it:

- a. is consistent with applicable standards (See Standard 4.9);
- b. requires the teach-out institution to provide notification to students of any additional charges and evidence that the institution has the ability to remain stable during the teach-out agreement;
- c. provides for the equitable treatment of students by ensuring that the teach-out is offered by an institution that has the capacity to carry out its mission, meet all obligations to existing students, and has the necessary experience, resources, and support services to:
 - i. provide, insofar as possible without additional charge to the students, an educational program that is of acceptable quality and reasonably similar in content, delivery modality, and scheduling to that provided by the institution that is ceasing operations either entirely or at one of its locations;
 - ii. offer an option via the same method of delivery as the original educational program, although students may choose an option via an alternate method of delivery if it is made available;

- iii. provide students access to program(s) and services without requiring them to move or travel substantial distances or durations;
- IV. The Commission will not permit an institution to serve as a teach-out institution in the event of any of the conditions cited in Section I, A-D, are present, or, if the institution is under investigation, subject to an action, or being prosecuted for an issue related to academic quality, misrepresentation, fraud, or other severe matters by a law enforcement agency.
- V. The Commission requires all institutions in candidacy status to submit a teach-out plan.
- VI. If a candidate or accredited institution closes without a teach-out plan or agreement, the Commission will work with the Department and the appropriate State agency to the extent feasible, to assist students in finding reasonable opportunities to complete their education without additional charges.

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