

# INSTITUTIONAL CIRCUMSTANCES REQUIRING COMMISSION APPROVED TEACH-OUT ARRANGEMENTS

## Introduction

Any institution affiliated with the Higher Learning Commission (HLC) that is in the process of closing or is engaged in one of the other circumstances identified below is obliged to provide for the welfare of enrolled students who have invested their time, energy, and money in attending the institution. The institution documents its preparations through a Teach-Out Plan. The institution is required to inform the Commission of its circumstances and to receive formal Commission approval of the Teach-Out Plan prior to initiating it.

## Circumstances Requiring a Teach-Out Arrangement

An institution must submit a **Teach-Out Plan** for Commission approval in each of the following circumstances:

1. When the U.S. Department of Education takes an emergency action, or a limitation, suspension, or termination or similar action against the institution
2. When the Commission acts to withdraw, suspend, or terminate the status of the institution
3. When the institution notifies the Commission that it intends to cease operations as an educational institution
4. When the institution permanently closes an additional location at which it offers 100 percent of either a certificate or a degree program before all students enrolled at that location have completed their programs of study\*

**Note:** *If, in closing an additional location, the institution intends to open a new location at which it offers one or more full degree programs, it must seek approval through the Commission's change process. In this situation, the institution must submit a Teach-Out Plan as part of the change request.*

5. When a state licensing or authorizing agency revokes or will revoke an institution's license or legal authorization to provide an educational program in that state

In addition, an institution that agrees to serve as the Teach-Out institution (the institution that receives the students) for a closing institution must file a **Teach-Out Agreement** with the Commission.

## Definitions of Teach-Out Plans and Teach-Out Agreements

HLC policies regarding teach-out arrangements differentiate between Teach-Out Plans and Teach-Out Agreements. The policies specify when an institution needs to submit these documents and what they should demonstrate. (See Policy 3.9 - Commission Approval of Institutional Teach-Out Arrangements. An institution that will cease operating as an educational institution should also consult Policy 3.8 - Accreditation of Closing Institutions.)

- **Teach-Out Plans** detail the arrangements an institution makes for students when it intends to cease operating as an educational institution or when it undergoes one of the other circumstances identified on page 1. A Teach-Out Plan might include a Teach-Out Agreement.
- **Teach-Out Agreements** are made between the home institution and each partner Teach-Out institution identified in the Teach-Out Plan. Teach-Out Agreements are required as part of a Teach-Out Plan for certain situations as described in the following section. The institution should ensure that the Teach-Out Agreement is committed to a written contract or letter of agreement with the Teach-Out institution. The agreement should be reasonably detailed about the obligations being agreed to by each party and should be signed by an appropriate representative of each institution. The Teach-Out institution must file a separate Teach-Out Agreement with the Commission.

## When to Include a Teach-Out Agreement with the Teach-Out Plan

An institution must include a Teach-Out Agreement in its Teach-Out Plan when:

- The institution will not be able to teach out its own students prior to its closure as an academic institution;
- One of the circumstances identified on page 1 will result in the institution, or the additional location, closing before all students attending have completed their programs of study; or
- If loss of Title IV funds will require that some students cannot complete their programs at that institution even if the institution itself will continue in business.

The institution will want to arrange with one or more institutions nearby that have the same academic programs to provide courses to those students who can reasonably complete their academic programs within no more than one year from the date the institution closes or otherwise experiences one of the circumstances identified above.

Through a Teach-Out Agreement the Teach-Out institution agrees to accept these students, usually without requiring a formal application or residency requirement, and allows them to take appropriate classes to complete their degrees. In most cases, the closing institution agrees to accept the credit hours earned at the Teach-Out institution and to grant those students who successfully complete the degree requirements in the teach out a degree; in a few cases, such as when the closing institution loses its degree-granting authority, the closing institution may not be able to award the degree, and the Teach-Out institution agrees to

award its own degree.

Other students who have more credit hours to complete will need to make arrangements to transfer to other institutions and ultimately receive their certificates or degrees from those other institutions. The institution that is closing or otherwise undergoing one of the circumstances above should make every effort to assist such students in transferring and should include information on how that assistance will be provided within the Teach-Out Plan.

### **Institutional Preparations to File a Teach-Out Plan**

When an institution realizes that it may undergo one of the circumstances identified on page 1, it should begin preparing a Teach-Out Plan as described in “Instructions for Preparing and Filing Teach-Out Plans and Teach-Out Agreements.” Among the first things the institution should do is to create an inventory its students to determine how many students remain enrolled and how many credits each student must earn to graduate. It can then determine, based on this inventory, those students who may be eligible for a teach-out and those students who must transfer to other institutions to complete their degrees.

An institution that is in good standing with the Commission and state and federal agencies and is not in a financial emergency may have some flexibility to cease operation or close a location by simply not accepting new students and continuing to offer academic programs until all students have graduated. An alternative for an institution where the institution itself remains open and in good standing with the Commission but is merely closing a campus or additional location, may be to teach-out students at another campus or additional location if the institution has such a location in the vicinity of the closing campus or location. In this case the Teach-Out Plan will need to outline the institution’s intent to teach-out its own students and include information to indicate how the institution will continue to assure access to appropriate faculty and student services. When closing a campus or additional location, it is typically not acceptable to provide only distance education options to students enrolled in degree programs affected by the closure.

An institution that must close in the very near future or whose accreditation, access to Title IV funds, or degree-granting authority for one or more programs has been withdrawn must also execute a **Teach-Out Agreement**. The institution will need to identify possible partner Teach-Out institutions in its vicinity with similar programs that might be willing to accept and teach out students and approach those institutions about executing a Teach-Out Agreement. To assist students in transfer, the institution may need to arrange for transfer fairs or other activities to help students to identify possible places to which they might transfer and then assist students with the process of applying for admission at appropriate institutions. If the institution is closing, the institution also will need to identify a location that will accept and retain student records. In some states the state higher education agency may be this repository. Finally, the institution must develop a communication plan for working with students through this transition. Once these arrangements are made, they should be explained in the Teach-Out Plan. The Plan is then submitted to the Commission staff liaison for review.

### **Extension of Accreditation for Closing Institutions**

The institution may, in conjunction with the filing of a Teach-Out Plan, request that the Commission formally extend the accreditation of the institution beyond its publically announced closing date. The sole reason is to provide those students who are heavily invested in the

institution an opportunity to earn a degree from the closing institution without undue hardship. By policy, extension of accreditation can be for no longer than one year after the official date of closing. To request an extension of accreditation, a closing institution must assure the Commission of three requirements as outlined in Commission Policy 3.8 and restated below.

The first requirement demands that the institution remain a legal entity empowered to award degrees by the state in which it operates. The institution must provide a letter from the appropriate state degree-granting agency (i.e., the Secretary of State or the head of the pertinent state higher education regulatory or coordinating council) documenting that the institution's legal existence and authority to grant degrees will continue through the requested extension of accreditation.

The second and third requirements state that the institution needs to make arrangements so that its current students' educational needs are met as fully as possible and to outline the plans for achieving that goal in a formal Teach-Out Plan submitted to the Commission. No new students are to be enrolled at this point. While the Teach-Out Plan must cover all the students, it is not realistic to expect that all students enrolled in the institution will be able to meet the graduation requirements, even if there is a year-long extension of accreditation. As the policy indicates, the degree awarded needs to be consistent and comparable to the degrees that had been awarded previously.

### **Commission Review of Teach-Out Plans and Teach-Out Agreements**

An institution facing any of the circumstances identified earlier in this document should contact the Commission staff liaison for that institution to determine what next steps are necessary and the timeline for review and decision-making.

A Teach-Out Plan must be formally approved by the Commission's Institutional Actions Council before it can be implemented. The Commission will evaluate the agreement to determine that it provides for the welfare of the students affected in a fair and equitable manner. The institution should allow at least 60 days for Commission review and final action before the date that it would need to implement the Teach-Out Plan.

A Teach-Out Agreement from a Teach-Out institution is subject to the same approval process.

A request for extension of accreditation requires approval by the Board of Trustees once the Institutional Actions Council approves the Teach-Out Plan. The Trustees meet three times a year. As the extension of accreditation must be approved before the institution closes, the institution must ensure that its request is presented to the Commission in sufficient time for Board of Trustees review and action.

### **Questions**

Most questions should be referred to the Commission staff liaison assigned to the institution.

Questions related to institutional change requests that also require Teach-Out Plans should be sent to [changerequests@hlcommission.org](mailto:changerequests@hlcommission.org).

## **INSTRUCTIONS FOR PREPARING AND FILING TEACH-OUT PLANS AND TEACH-OUT AGREEMENTS**

The information below is designed to assist the institution in preparing appropriate documentation for a Teach-Out Plan and Teach-Out Agreement. The completed Teach-Out Plan should be sent by the chief executive officer of the institution to the Commission staff liaison assigned to the institution, unless the Plan is part of a change request, in which case it should be submitted through the Commission's process for approval of a substantive change. Visit the Commission's Web site ([ncahlc.org](http://ncahlc.org)) for information on the Commission's change processes.

Most questions should be referred to the Commission staff liaison assigned to the institution.

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### **The Teach-Out Plan**

The Teach-Out Plan should demonstrate that, despite whatever changes are taking place, the institution has made appropriate provisions for the welfare of the students.

The Teach-Out Plan should include the following elements:

1. Evidence that the Teach-Out Plan provides for equitable treatment of students, in particular by ensuring that they are able to complete the educational programs in which they were enrolled prior to the circumstances that led to the need for the Teach-Out Plan.
2. Evidence that the Teach-Out Plan provides for students to complete their degree programs within a reasonable period of time.
3. The anticipated timeline of activities, including the effective date of the closure or loss of degree-granting authority, loss of access to Title IV, etc.
4. A communication plan that includes the proposed timeline and methods for notifying students of the Teach-out Plan, including any students who may be on approved leaves of absence, as well as faculty, staff, and other institutional constituents.
5. A plan for providing advising services for students (group and/or individual meetings, dates, agenda, etc.).
6. A list of students affected and anticipated decisions regarding teach-out (graduation, transfer, remain at institution, participate in teach-out and at what institution, etc.).
7. If the institution is closing a location, an updated list of degree programs offered at the location and identification of any programs that are unique to the location.
8. A list of any institutional or specialized accreditations held by the institution. If the Teach-Out Plan applies to the closing of a location, a list of any specialized accreditation that applies to programs offered at that location.

9. If the institution is closing, the location of the institution's records.
10. If a Teach-Out Agreement is required as a part of the Teach-Out Plan, it demonstrates the conditions identified below.

### **The Teach-Out Agreement**

The Teach-Out Agreement should be designed with the previous elements in mind. The Teach-Out Agreement must also account for characteristics of the Teach-Out institution as well as the home institution.

An institution that agrees to serve as the Teach-Out institution (the institution that receives the students) for a closing institution also must file a **Teach-Out Agreement** with the Commission.

The Teach-Out Agreement must demonstrate that it meets the following conditions:

1. The Teach-Out Agreement is with another institution (Teach-Out institution) that is accredited by or holding candidacy with an agency recognized by the U.S. Department of Education.
2. Where appropriate, the Teach-Out institution is eligible for Title IV financial aid.
3. The Teach-Out Agreement is consistent with all applicable state and federal regulations.
4. The Teach-Out institution has the necessary experience, resources, and support services to provide an educational program that is of acceptable quality and is reasonably similar in content, structure, and scheduling to that provided by the institution that is closing or ceasing operations.
5. The Teach-Out institution can provide students access to such programs and services without requiring them to move or travel substantial distances.
6. The Teach-Out institution is stable and is carrying out its mission and meeting all of its obligations to current students.
7. The Teach-Out Agreement provides students with reasonable opportunities to complete their education without additional charges. The Teach-Out Agreement includes a notification provision to ensure that students have complete information about the tuition and fees of the institution conducting the teach out.

### **Request for Extension of Accreditation**

The chief executive officer of an institution requesting an extension of accreditation should contact the Commission staff liaison assigned to the institution to coordinate the request.