

Policy on Teach-Out Plans and Agreements

January 2024

Background

ACCJC seeks to ensure the equitable treatment of students by requiring institutions to submit a written teach-out plan, and if practicable, teach-out agreement, upon the occurrence of certain events or circumstances which might lead to voluntary or involuntary closure. The Commission's *Policy on Closing an Institution* provides further guidance for closing institutions. While federal regulations outline the specific circumstances which require a teach-out plan and teach-out agreement, the Commission also maintains the right to require a teach-out agreement as part of an institution's teach-out plan.¹

Definitions²

Teach-out: A process during which a program, institution, or institutional location that provides 100 percent of at least one program engages in an orderly closure or when, following the closure of an institution or campus, another institution provides an opportunity for the students of the closed school to complete their program, regardless of their academic progress at the time of closure.

Teach-out plan: A written plan developed by an institution that provides for the equitable treatment of students if an institution, or an institutional location that provides 100 percent of at least one program, ceases to operate or plans to cease operations before all enrolled students have completed their program of study.

Teach-out agreement: A written agreement between institutions that provides for the equitable treatment of students and a reasonable opportunity for students to complete their program of study if an institution, or an institutional location that provides 100 percent of at least one program offered, ceases to operate or plans to cease operations before all enrolled students have completed their program of study.

Policy³

Federal regulations require that institutions submit a teach-out plan, and if practicable, teach-out agreements as noted below, from accredited institutions and those with Candidacy status (preaccreditation) upon the occurrence of any of the following events:

A. If the Department of Education notifies the Commission:

- (1) of a determination of a nonprofit or proprietary institution's independent auditor expressing doubt about the institution's ability to operate as a going concern or indicating

¹ 34 CFR § 602.24 (c)(5)

² 34 CFR § 600.2

³ 34 CFR § 602.24 (c)

- an adverse opinion or a finding of material weakness related to financial stability, then the Commission will require a teach-out plan;
- (2) that the institution is participating in Title IV programs under a provisional program participation agreement and the Secretary has required a teach-out plan as a condition of participation, the Commission will then require a teach-out plan;
 - (3) that it has placed the institution on the reimbursement payment method or the heightened cash monitoring payment method requiring the Department of Education's review of the institution's supporting documentation, the Commission will then require a teach-out plan **and** teach-out agreement;
 - (4) that the Department of Education has initiated an emergency action against an institution, or an action to limit, suspend, or terminate an institution participating in any Title IV program, then the Commission will require a teach-out plan **and** teach-out agreement.
- B. If a state licensing or authorizing agency notifies ACCJC that an institution's license or legal authorization to provide an educational program has been or will be revoked, the Commission will then require a teach-out plan **and** teach-out agreement.
- C. If the Commission acts to:
- (1) place the institution on probation, then the Commission will require a teach-out plan;
 - (2) place the institution on show cause, then the Commission will require a teach-out plan **and** teach-out agreement;
 - (3) to withdraw or suspend the accreditation or Candidacy status (preaccreditation) of the institution, the Commission will then require a teach-out plan **and** teach-out agreement.
- D. If the institution notifies ACCJC that:
- (1) it intends to cease operations entirely, then the Commission will require a teach-out plan **and** teach-out agreement;
 - (2) it intends to close a location that provides one hundred percent 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, the Commission will then require a teach-out plan **and** teach-out agreement.
- E. Federal regulations also require that institutions with Candidacy status (preaccreditation) have a teach-out plan.⁴ Institutions applying for candidacy must submit the teach-out plan to ACCJC at the time of their Candidacy (preaccreditation) review.

Commission Review of Teach-Out Plans

The institution must submit its teach-out plan prior to implementation to the ACCJC. The Commission may designate ACCJC senior staff to review and approve teach-out plans and will report on them during the next Commission meeting.

⁴ 34 CFR § 602.23 (f)(1)(ii)

- A. The Commission will evaluate teach-out plans by ensuring:
 - (1) consistency with applicable standards and regulations,
 - (2) it provides for the equitable treatment of students,
 - (3) it includes a list of currently enrolled students,
 - (4) it includes a list of academic programs offered by the institution, and
 - (5) it includes the names of other institutions that offer similar programs and that could potentially enter into a teach-out agreement with the institution.
- B. If ACCJC approves a teach-out plan that includes a program or institution that is accredited by another recognized accrediting agency, it must notify that accrediting agency of its approval.

Commission Review of Teach-Out Agreements

ACCJC may require an institution it accredits or those with Candidacy status (preaccreditation) to enter into a teach-out agreement as part of its teach-out plan in accordance with this policy and federal regulations.⁵ The institution must submit its teach-out agreement prior to implementation to the ACCJC for Commission review and approval.

The Commission may approve the teach-out agreement only upon these conditions:

- 1. The agreement provides a reasonable opportunity for students to complete their program of study if an institution, or an institutional location that provides 100 percent of at least one program offered, closes or plans to close, before all enrolled students have completed their program of study;
- 2. The agreement is consistent with applicable standards and regulations; and
- 3. The agreement provides for the equitable treatment of students being served by ensuring that the teach-out institution—
 - i. has the necessary experience, resources, and support services to provide an educational program that is of acceptable quality and reasonably similar in content, delivery modality, and scheduling to that provided by the institution or location closing; however, while an option by an alternate method of delivery may be made available to students, such an option is not sufficient unless an option by the same method of delivery as the original educational program is also provided;
 - ii. has the capacity to carry out its mission and meet all obligations to existing students;
 - iii. demonstrates that it can provide students access to the program and services without requiring them to move or travel for substantial distances or durations; and
 - iv. demonstrates that it will provide students with information about additional charges, if any.

⁵ 34 CFR § 602.24 (c)(5)

4. The Commission will not permit an institution to serve as a teach-out institution under the following conditions⁶:
 - i. For a nonprofit or proprietary institution, the Department of Education notifies ACCJC of a determination by the institution's independent auditor expressing doubt about 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.
 - ii. The institution's accreditor acts to place the institution on probation or equivalent status.
 - iii. The Department of Education notifies ACCJC that the institution is participating in title IV, HEA programs under a provisional program participation agreement and has required a teach-out plan as a condition of participation.
 - iv. The Department of Education notifies ACCJC that it has placed the institution on the reimbursement payment method under 34 CFR 668.162(c) or the heightened cash monitoring payment method requiring the Department's review of the institution's supporting documentation under 34 CFR 668.162(d)(2).
 - v. The Department of Education notifies ACCJC that it has initiated an emergency action against an institution, in accordance with section 487(c)(1)(G) of the HEA, or an action to limit, suspend, or terminate an institution participating in any title IV, HEA program, in accordance with section 487(c)(1)(F) of the HEA.
 - vi. ACCJC acts to withdraw the accreditation or preaccreditation of the institution.
 - vii. The institution notifies ACCJC that it intends to cease operations entirely or close a location that provides one hundred percent of at least one program, including if the location is being moved and is considered by the Department to be a closed school.
 - viii. A state licensing or authorizing agency notifies the agency that an institution's license or legal authorization to provide an educational program has been or will be revoked.
 - ix. 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.
5. The Commission is permitted to waive requirements regarding the percentage of credits that must be earned by a student at the institution awarding the educational credential if the student is completing his or her program through a written teach-out agreement or transfer.
6. The Commission must require the institution to provide copies of all notifications from the institution related to the institution's closure or to teach-out options to ensure the information accurately represents students' ability to transfer credits and may require corrections.
7. Teach-out agreements for closing institutions must include the following additional elements:

⁶ 602.24(c)(8)(i)(ii)

- i. a complete list of students currently enrolled in each program at the institution and the program requirements each student has completed;
- ii. a plan to provide all potentially eligible students with information about how to obtain a closed school discharge and, if applicable, information on State refund policies;
- iii. a record retention plan to be provided to all enrolled students that delineates the final disposition of teach-out records (e.g., student transcripts, billing, financial aid records);
- iv. information on the number and types of credits the teach-out institution is willing to accept prior to the student's enrollment; and
- v. a clear statement to students of the tuition and fees of the educational program and the number and types of credits that will be accepted by the teach-out institution.

If an institution closes without a teach-out plan or agreement, ACCJC will work with the Department of Education and the appropriate state agency, to the extent feasible, to assist students in finding reasonable opportunities to complete their education without additional charges.

Accreditation Status

When the Commission requires the institution to implement a teach-out plan and/or teach-out agreement, it will maintain an institution's accreditation or preaccreditation until the institution has had reasonable time to complete the activities in its teach-out plan or to fulfill the obligations of any teach-out agreement to assist students in transferring or completing their programs.

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