Teach-Out Requirements

Provisional Plan and Teach-Out Agreements

HLC has a responsibility to students and the public to ensure that there are arrangements in place to assist students in the event that an institution must cease operations temporarily or permanently. HLC policy, adopted as part of the U.S. Department of Education’s federal compliance for accrediting agencies, requires that an institution under threat of closure (or of cessation of operations for some period of time) or closing an additional location or branch campus or closing a program under certain circumstances file a provisional plan to ensure that students are protected. This plan may need to include a teach-out agreement where appropriate.

Table of Contents

Definitions ................................................................. 2
Process & Timeline ....................................................... 5
Required Material .......................................................... 7
The Provisional Plan ......................................................... 7
When to Include a Teach-Out Agreement with the Provisional Plan ........................................ 8
The Teach-Out Agreement ................................................. 8
Institutions Teaching-Out Their Own Students ................................................................. 9
Transfer Option for Students ............................................. 9
HLC Action .................................................................... 9
Questions ...................................................................... 9
Appendix A: Policy ......................................................... 10
Appendix B: Notes .......................................................... 12
Failure to File a Provisional Plan ....................................... 12
Notifications ................................................................. 12
Potential Accreditation Ramifications of Suspending Operations ..................................... 12
Provisional Plans

Provisional plans detail the arrangements an institution makes for students when it intends to cease operating as an educational institution or when it undergoes other circumstances that require a Teach-Out Agreement. If the institution is closing entirely or closing campus(es) or additional location(s), and it has students in academic programs at that location, then the Provisional Plan will need to include arrangements for teaching out of those students so that they can complete their academic program. If the institution is prepared to stay open or keep the branch campus(es) or additional location(s) open and if it will continue to have sufficient resources, it may teach out those students that are within one year of graduation and assist other students in transferring to other institutions. If it does not have sufficient resources to accommodate current students through graduation or transfer, it must have a teach-out agreement with another accredited institution to be the teach-out receiving institution.

The specific elements to be covered in provisional plans are described on page 7.

Teach-Out Agreements

Teach-out agreements are made between the institution required to teach-out students and each teach-out receiving institution identified in the Provisional Plan. Teach-out agreements are required as part of a Provisional Plan for certain situations as described in policy (see Appendix A). The institution required to teach-out students should ensure that the teach-out agreement is binding as a written contract or letter of agreement with the teach-out receiving institution. The agreement should be detailed about the obligations being undertaken by each party and should be signed by an appropriate authorized representative of each institution. A teach-out agreement is with one or more institutions nearby or online 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.

The factors of approval for teach-out agreements are described on page 8.

Teach-out Receiving Institutions

Teach-out receiving institutions are those institutions that agree by virtue of their participation in the teach out to accept all the credits earned by students at the institution required to teach-out students, to count those credits towards a certificate or degree from their institution, and to award a certificate or degree to the students participating in the teach out in approximately the same amount of time the students would have required at the institution that is closing. (When the closing institution loses its degree-granting authority, the closing institution may not be able to award the degree, and the teach-out receiving institution must therefore agree to award its own degree.) Teach-out receiving institutions typically do not require students to formally apply or fulfill residency requirements, and allow students to take appropriate courses to complete their degrees. (Note: If an institution considers the credits earned from the institution required to teach-out students as transfer credits, then it is not a teach-out receiving institution.) See page 4 for additional information.
Students Affected by Institutional Closures

When institutions close, students enrolled at the closing institution often require assistance from other institutions in order to complete their academic programs within a reasonable timeframe. Among their choices, some students may have the ability and opportunity to transfer, while others may opt to participate in a teach-out arrangement being conducted by another institution. It is important to note that students enrolled at a closing institution can opt to pursue a Closed School Discharge under certain circumstances.

In navigating these choices, students in the final stages of their academic programs are among those most severely challenged by institutional closures. As a result, HLC considers the term “teach-out students” to refer to students, whether undergraduate or graduate, in the final stages of their academic programs who have no option for completing their academic programs within a reasonable time, other than to attend a teach-out receiving institution and who choose to participate in such a teach-out. By contrast, transfer students are those who have the ability to transfer to another institution in the ordinary course and who ultimately choose to do so.

An institution considering whether it has the capacity to be of assistance to students affected by closure may choose to act as a teach-out receiving institution if it meets certain requirements outlined in this document. A teach-out receiving institution agrees, typically by virtue of a contract with the closing institution (called a “teach-out agreement”), to afford certain flexibilities to students it receives as a result of an institutional closure. For example, these flexibilities include waiving residency requirements, application requirements, accepting all credits earned and charging tuition comparable to the closing institution. At the same time, a teach-out institution is also allowed to prioritize students in the final stages of their academic programs for purposes of fulfilling the obligations of its teach-out agreement, while choosing to evaluate all other affected students according to the institution’s standard transfer policies. However, in deciding how to treat students affected by closure, institutions should bear in mind that the obligations of a teach-out receiving institution with respect to students being served under a teach-out agreement are very different from those of a transfer institution.

In rare instances, despite HLC expectations, an institution may choose to close abruptly due to exigent circumstances. Such closures may occur without any Provisional Plan or teach-out agreement(s) in place. Institutions seeking to help may, but need not, consider whether they are willing to afford students the same flexibilities that would apply under a traditional teach-out scenario in the short term, even though they are not bound to do so under any contract. On the other hand, in the absence of a contract, institutions may legitimately choose to evaluate students exclusively as transfer students.

Institutions seeking to be of service to students affected by institutional closures other than by accepting transfer students in the ordinary course, should contact their HLC staff liaison as soon as possible.
Teach-out receiving institutions must meet the following requirements:

1. They should already be approved by their accreditor and state authorizing agency to offer the same programs as those offered by the institution required to teach-out students. In some cases, an institution with equivalent programs but somewhat different degree names may be able to serve as a teach-out receiving institution.*

If the teach-out receiving institution does not currently have the same academic programs in place as the institution required to teach-out students, the teach-out receiving institution will need authorization from the state and substantive change approval from an accreditor to offer the programs before it can participate in the teach-out. Authorization in some states and substantive change approval from an accreditor will likely take time, thereby not providing a teach-out option for students.

The teach-out receiving institution must also have similar professional or specialized accreditation if such accreditation is necessary to ensure that students can become licensed or take licensing exams in the students’ home state. Wherever possible, the institution required to teach-out students should identify teach-out receiving institutions that already have exactly the same authorizations and accreditations in place.

2. They must not be on sanction with HLC or any other accreditation agency and be able to demonstrate that they have the capacity to enroll the number of students they anticipate receiving through the teach-out. In some cases, demonstrating capacity may require hiring additional faculty or student service personnel.

3. They must be within a reasonable distance geographically from the institution required to teach-out students. If the institution required to teach-out students provides online programs, it may teach-out students through online programs at teach-out receiving institutions. But an online program at an institution may not be the sole teach-out option for students in on-ground programs.

4. Wherever possible, the teach-out receiving institution agrees to charge teach-out students tuition and fees that are approximately equivalent or less to what the institution required to teach-out students would have charged.

In addition, a teach-out receiving institution accredited by HLC planning on taking over an existing campus or additional location from the institution required to teach-out students will need substantive change approval for the addition of the branch campus or the additional location.

*The institution should contact its HLC staff liaison for clarification about what may be acceptable when the institution does not have the same program.
Institutions required by policy to file a Provisional Plan should complete the following steps:

1. Notify HLC
When an institution meets the circumstances that require a teach-out agreement identified in HLC policy or plans to participate in a teach out as the receiving institution, it must notify HLC as soon as possible. Initially this notification can occur informally (via call or e-mail) to its HLC staff liaison. However, within no more than 30 days after the initial contact with the staff liaison, the chief executive officer of the institution will need to send a letter to the HLC liaison. If the institution is closing or suspending operations, the letter should include the date of suspension and evidence that the Board of Trustees of the institution has formally approved the decision to close or suspend operations. The institution intending to function as the teach-out receiving institution will need to explain in the letter what academic programs it has in place already or will need to put into place to fulfill its teach-out responsibilities and how many students it anticipates receiving from the teach out, identifying if additional human or other resources will be necessary.

Once HLC is notified, it will begin its required procedures.

2. Notify the State Higher Education Agency and the U.S. Department of Education
At the same time the institution notifies HLC in writing about the circumstances that require a teach out, the institution should also notify its state higher education entity and the U.S. Department of Education. The teach-out agreement will affect the distribution of federal financial aid and the closing institution should work with its financial aid office when notifying the U.S. Department of Education.

The institution intending to function as the teach-out receiving institution will need to ensure that it has the necessary approvals from the state and the U.S. Department of Education to offer the academic programs required to participate as a teach-out receiving institution.

3. Cease Admitting Students
Once an institution is required to implement a teach out, it must cease admitting new students unless those students are short-term or returning students who are able to complete their program before the institution closes or suspends operations. The institution required to teach-out students should contact the U.S. Department of Education regarding its guidelines on the timeline for enrolling returning students.

4. Submit a Provisional Plan
An institution required to teach-out students must file a Provisional Plan with HLC that outlines arrangements for currently enrolled students to complete their degrees. The Provisional Plan should provide information regarding students to be accommodated by a teach-out agreement (within one year of completion) and students to be accommodated by transfer who have a considerable number of credits to be earned. The Provisional Plan must be provided to HLC as soon as it is finalized, but no later than 30 days before the institution closes. This deadline is to ensure that students can continue the education promised to them upon enrollment at a regionally accredited institution.

The HLC staff liaison will review the Provisional Plan and determine whether it meets HLC requirements. HLC’s Institutional Actions Council must formally approve a Provisional Plan before it can be implemented, but, once the staff liaison has reviewed the Provisional Plan and determined that it meets HLC’s expectations, it may be conveyed to students and other parties provided that it is made clear that it is not final until it is approved by HLC’s Institutional Actions Council.
At this time, teach-out receiving institutions must submit the teach-out agreement outlining their responsibilities to HLC at hlcommission.org/upload. Select “Change Requests” from the list of submission options to ensure the agreement is sent to the correct HLC staff member.

Teach-out receiving institutions also should ensure that they have in place any necessary approvals from the state, HLC or other institutional, programmatic or specialized accreditor. If the closing institution is not accredited by HLC, then the receiving institution must submit the teach-out agreement to HLC.

5 Determine Student Access to Transcripts
The Provisional Plan should provide information about where transcripts will be stored after the closure or suspension of operations and the process whereby those transcripts will be transferred to the party that has agreed to provide this service. The Provisional Plan should also outline the arrangements for providing students with access to basic advising and registrar service (including transcript service) while the closure is taking place and should identify an office or an individual for students to contact after these basic services have been discontinued.

The state higher education entity may have requirements with regard to storing transcripts such that students will continue to have them readily available after the institution closes or suspends operation. In some states, rules require that the closing institution send copies of the transcripts to the state higher education office or a state university for long-term storage. Other states may expect an institution to identify another institution to receive and house the records. HLC requires that institutions closing or suspending operations make sure that graduates and students have ready access to these records in the future.

Note: Institutions expecting a temporary suspension of operations may want to deem the registrar essential personnel if state requirements necessitate the institution identify an alternative means of storing transcripts.

6 Notify Students
An institution closing or suspending operations needs to inform its students in a timely fashion. If the Provisional Plan has been approved by HLC, the institution can discuss the plan with students. If the Provisional Plan has not yet been approved by HLC, the institution will need to communicate the details of any plan or agreements and state that they are not final until formal approval from HLC has been obtained. As the closing process unfolds, the institution should provide updated information to students once it has final approval from HLC.

Information about how the institution intends to communicate with students should be included in the Provisional Plan filed with HLC.

7 HLC Review
HLC will evaluate the Provisional Plan to determine that it provides for the welfare of the students affected in a fair and equitable manner. If there is a teach-out receiving institution, HLC will carefully review the Provisional Plan and any teach-out agreements to determine whether the teach-out receiving institution is accredited and in good standing with HLC or another recognized accrediting agency, is geographically proximate to the closing institution and its students, and has the necessary experience to conduct the teach out. The teach-out receiving institution should have the same educational programs with similar facilities, resources, support services, and scheduling of courses and programs to those at the institution required to teach-out students. The institution should allow at least 60 days for HLC review and final action. This process will be delayed if the teach-out receiving institution needs state authorization and accreditor approval to offer the necessary academic programs.
The information below is designed to assist institutions in preparing appropriate documentation for a Provisional Plan and a teach-out agreement. The completed Provisional Plan, including any associated institutional change applications, should be sent by the chief executive officer to HLC at hlccommission.org/upload. Select “Change Requests” from the list of submission options to ensure the plan is sent to the correct HLC staff member.

The Provisional Plan

Institutions should create an inventory of its students to determine how many students remain enrolled and how many credits each student must earn to graduate and an inventory of its academic programs in which there are students who will need to complete a program. The institution 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.

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

The Provisional Plan should include the following elements:

1. Evidence that the Provisional 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 Provisional Plan.

2. Evidence that the Provisional 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 Provisional 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 percentages of those likely to graduate, 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 Provisional 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. A teach-out agreement if required as a part of the Provisional Plan.

11. Potential transfer institutions.

Personally-Identifiable Information: Instructions for Institutions

When submitting documents, please carefully consider whether documents containing personally-identifiable information (PII) must be included. If the documents must be included for evaluative purposes, please redact the PII where possible. If redaction of the PII will interfere with the evaluative value of the document, please clearly identify the document as containing PII (for example, through a cover page or prominent notation on the document). Institutions are not expected to redact or identify information or documents where the only PII included is employee or Board member names and work contact information.

PII is any information about an individual that allows the individual to be specifically identified. This includes, but is not limited to: name, address, telephone number, birthday, email, social security number, bank information, etc. A document does not include PII if personal information is de-identified or is provided in the aggregate. See HLC’s PII Guidelines for more information.
When a Teach-Out Agreement Is Required in the Provisional Plan

An institution must include a teach-out agreement in its Provisional Plan when:

A. The institution will not be able to teach out its own students prior to its closure as an academic institution;

B. One of the circumstances requiring teach-out agreement will result in the institution, or the additional location, closing before all students attending have completed their program(s) of study; or

C. If loss of Title IV funds will result in some students being unable to complete their program(s) at that institution even if the institution itself will continue in business.

The Teach-Out Agreement

The teach-out agreement must demonstrate that it meets the following conditions and is co-signed by the teach-out receiving institution:

1. The teach-out agreement is with another institution (teach-out receiving institution) that is accredited by or holding candidacy with an agency recognized by the U.S. Department of Education. (If the institution is accredited by an institutional accreditor other than HLC, the agreement includes a letter from that accreditor that verifies the institution’s capacity to participate in the teach out.)

2. Where appropriate, the teach-out receiving 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 receiving institution has the necessary experience, resources, and support services to provide the same educational program to that provided by the institution that is closing or ceasing operations.

5. The teach-out receiving institution can provide students access to such programs and services without requiring them to move or travel substantial distances.

6. The teach-out receiving 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. It also includes a notification provision to ensure that students have complete information about the tuition and fees of the teach-out receiving institution.
Institutions Teaching Out Their Own Students

An institution that is in good standing with HLC 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. However, such an institution should still submit a Provisional Plan to inform HLC that it intends to teach out its own students.

If an institution will remain operational until all of its students complete their degree programs, and if the institution can demonstrate that it has sufficient financial, human and other resources in place to provide an education of appropriate quality while the closure is pending, it may teach out its own students subject to HLC approval. However, HLC may ask for the institution to identify a teach-out receiving institution even if the institution is planning to teach out its own students such that, in the event of an emergency, another institution has been identified to provide academic classes. A contract or letter of agreement signed by both parties should support every arrangement with a teach-out receiving institution.

An institution that cannot teach-out its own students must also execute a teach-out agreement. The institution will need to identify a possible teach-out receiving institution in its vicinity with the same program(s) that might be willing to accept and teach out students and approach those institutions about executing a teach-out agreement.

Transfer Option for Students

Institutions required to teach out students must also provide resources for students to transfer. 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 should make every effort to assist such students in transferring and should include information within the Provisional Plan regarding how that assistance will be provided.

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.

HLC Action

If a provisional plan is approved by the IAC, HLC will continue to monitor the situation to ensure students are informed and aware of their options. If denied, HLC will require the institution to refile the Provisional Plan addressing issues that led to the denial. The institution may be recommended for a designation or sanction.

Questions/Information

Preliminary questions should be referred to HLC’s staff liaison assigned to the institution. Questions related to institutional change request that also require teach out should be sent to changerequests@hlcommission.org.

Materials should be submitted at at hlcommission.org/upload. Select “Change Requests” from the list of submission options to ensure the materials are sent to the correct HLC staff member.
HLC Approval of Institutional Teach-Out Arrangements
Number: FDCR.B.10.010

Commission approval shall be required when an institution that is closing or ceasing or suspending some or all of its operations must teach out one or more of its students based on the requirements of this policy. The focus of the Commission in this review shall be on the welfare of the students.

Institutional Situations Requiring Submission of Provisional Plans
The institution shall be required to submit a written provisional plan in any of the following circumstances:
(a) the U.S. Department of Education notifies the Commission of an emergency action, or a limitation, suspension or termination or similar action against the institution; (b) the Commission acts to withdraw, terminate or suspend the status of an institution; (c) the institution notifies the Commission that it intends to cease or suspend operations or permanently close the institution or a site (additional location or campus) where it offers at least 100% of either a certificate or degree program before all students have completed their program of study; (d) a state licensing or authorizing agency notifies the Commission that an institution’s license or legal authorization to provide an educational program in that state has been or will be revoked; or (e) Commission staff determines in its sole discretion that closure or suspension of one or more academic programs at an institution raises concerns about the well-being of students in these programs; or (f) Commission staff determines that the institution is at risk of a sudden closure or suspension of some or all of its operations because it is in financial distress, under governmental investigation, undergoing Change of Control, Structure or Organization, or facing other significant challenges.

Commission Requirements for Provisional Plans
The institution shall submit the provisional plan to the Commission; the plan must meet the following minimum requirements:

1. The provisional plan provides for equitable treatment of students by ensuring that they are able to complete the educational program in which they were enrolled immediately prior to the situation requiring submission of a teach-out agreement within a reasonable period of time; and

2. The provisional plan provides for prompt notification of additional charges to students, if any.

Note: If a closing institution plans to teach out its own students, the period for teach out shall typically not exceed 12-18 months, particularly in cases where there are other institutions in the area that offer similar programs available to students of the closing institution, unless the closing institution can assure the Commission that the closing institution continues to meet robustly all of the Criteria for Accreditation during the extended teach-out period.

Commission Requirements for Teach-Out Agreements
The Commission may require that an institution in the situations identified in Teach-Out Requirements submit a teach-out agreement for the Commission’s review and approval in conjunction with its provisional plan if the institution must rely on the assistance of another accredited institution to complete the provisional plan. The agreement must meet the following minimum requirements:

1. The teach-out agreement is with another institution that is accredited by or holding candidacy with an agency recognized by the U.S. Department of Education and, where appropriate, that it is an eligible institution for Title IV financial aid;

2. The teach-out agreement is consistent with all applicable state and federal regulations;
3. The teach-out institution is approved by an appropriate state higher education and accrediting agency to offer the programs offered by the institution closing or suspending operations; has 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 provided by the institution closing or ceasing operations; demonstrates that it can provide students access to such programs and services without requiring them to move or travel substantial distances; and is stable, carrying out its mission and meeting all obligations to existing students; and

4. The teach-out agreement is fair and equitable to students and provides students with reasonable opportunities to complete their education without additional charges and includes a notification provision to ensure that students have complete information about the tuition and fees of the institution conducting the teach-out.

Approval of Teach-Out Partner Institutions Affiliated With the Commission

Any institution affiliated with the Commission that enters into a teach-out agreement with, or on behalf of, another institution that is closing or otherwise ceasing or suspending operations or is at risk of doing so, regardless of whether that institution has presented a teach-out plan to the Commission or is accredited by the Commission, shall notify the Commission of its intended participation in the teach-out and submit the teach-out agreement to the Commission prior to its implementation so that the Commission may determine whether the affiliated institution has the capacity to undertake its responsibilities under the teach out, is not on sanction with the Commission, and has in place previously the necessary approvals from the Commission and other entities to offer the necessary programs. Commission staff shall act to approve the teach-out partner institution’s participation in the teach out.

Commission Approvals Related to Teach Out

Where the Commission is approving a provisional plan for an academic program or where the Commission is approving an institution’s participation as a teach-out partner, staff may act to provide approval; all other necessary approvals related to teach out shall be provided by a decision-making body of the Commission recognized by the U.S. Department of Education. If the Commission approves a provisional plan that includes a program accredited by a specialized or professional accreditor, the Commission shall notify that accreditor.

Institutional Closure Without Approved Provisional Plan or Teach-Out Agreement

The Commission shall work with the U.S. Department of Education and the appropriate state agency, if any, in the event an institution the Commission accredits or has awarded candidacy for accreditation status closes without a provisional plan or teach-out agreement approved by the Commission, to assist students in finding reasonable opportunities to complete their education without additional charges. The Commission may call upon another institution affiliated with the Commission that has a common owner with the institution closing or suspending operations or is in the same system of institutions to provide assistance in developing a provisional plan that meets the requirements of this policy.
APPENDIX B: NOTES

Failure to File a Provisional Plan

If an institution fails to file the required Provisional Plan prior to closing, HLC will work with the U.S. Department of Education and the appropriate state agency, if any, to assist students in finding reasonable opportunities to complete their education at a similar cost. In addition, if an institution fails to file the required Provisional Plan prior to the completion of HLC processes, such as an Appeal or a Change of Control, Structure, or Organization review, then any open HLC process may be suspended until HLC receives and approves a Provisional Plan, which may require a teach-out agreement, for the institution.

Notifications

HLC will notify other accrediting agencies recognized by the U.S. Department of Education that accredit program(s) at the institution under review within 30 days of the action if HLC acts to approve a Provisional Plan or a teach-out agreement that includes a program accredited by another recognized accreditor.

Potential Accreditation Ramifications of Suspending Operations

An institution that is suspending operations should be aware that the HLC Board of Trustees may summarily remove accreditation from an institution if it ceases to operate as an educational institution or if its legal authorization to operate and grant degrees is terminated, which might take place if it is no longer operating as a college or university for any period of time. An institution that is reducing operations should be aware that the HLC Board of Trustees may also remove accreditation if it determines, based on its review, that what remains of the institution is no longer accreditable. (INST.E.60.010, Denial or Withdrawal of Status.)