



TEACH-OUT REQUIREMENTS

Policy Change Adopted on Second Reading

The Higher Learning Commission's (HLC's) Board of Trustees adopted this policy on second reading at its meeting on June 29–30, 2017.

Background

Subsequent to the recent closures of several institutions accredited by HLC and institutions accredited by other accreditors where HLC-affiliated institutions aspired to be teach-out partners, HLC re-examined the expectations related to teach-out and revised the procedure for submission and approval of teach-outs. During this project, it became apparent that the policy also needed some changes to reflect procedural updates.

While the policy has long required that teach-out partner institutions seek HLC consent to participate in the teach-out, the language in the policy on this point was often overlooked and misunderstood. The adopted changes clarify this language. In addition, the policy lacked any specific language on teach-out when major institutional programs are closing. While it is not typical for HLC to request a teach-out related to a program, in certain circumstances it may be necessary to do so to protect students. The policy changes provide HLC with discretion to ask for a provisional plan in certain circumstances. Finally, there are several minor updates to the language in the policy clarifying other expectations related to teach-out.

The policy change was circulated to the membership and other interested parties after the Board's February meeting. HLC did not receive any comments.

Implementation

This policy is effective immediately.

Adopted Policy

Wording that was deleted or revised is shown as strikethrough (~~old wording~~); new language, whether through addition or revision, is shown in bold (**new wording**). Changes between first and second reading, other than minor editing, are indicated in bold italics (*new wording*). These revisions have been made on HLC's website at hlcommission.org/.

Policy Title: Commission 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 for 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 Approval of Requirements for Provisional Plans

The institution shall submit the *provisional* plan to the Commission; ~~the Commission will provide its approval if the following are met~~ **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.

~~If the Commission approves a teach-out plan that includes a program accredited by a specialized or professional accreditor, the Commission shall notify that accreditor.~~

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 *Institutional Situations Requiring Submission of Teach-Out Requirements Arrangements* submit a Teach-Out Agreement for the Commission's review and approval in conjunction with its teach-out plan **if the institution must rely on the assistance of another accredited institution to complete the *provisional plan* teach-out arrangements.** ~~In addition, any affiliated institution that enters into a teach-out agreement with, or on behalf of, another institution, regardless of whether that institution has presented a teach-out plan to the Commission or is accredited by the Commission, shall submit the teach-out agreement to the Commission for approval prior to its implementation. The Commission will provide its approval if the following are met~~ **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 teach-out 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 teach-out plan or 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 HLC 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.

Policy Number Key

Section FDCR: Policies Required by Federal Regulation

Chapter B: Teach Out

Part 10: General

Last Revised: June 2017

First Adopted: June 2008

Revision History: revised February 2009, February 2010, November 2010, August 2016, June 2017

Notes: Policies combined November 2012: 3.9, 3.9(a), 3.9(b), 3.9(c), 3.9(d).