

## **Policy on Teach-Out Plans and Teach-Out Agreements**

Federal regulations implementing the Higher Education Opportunity Act require that accrediting agencies require a teach-out plan from an institution in the event of any of the following:

- a) the Department of Education notifies the accreditation agency of an emergency action or action to limit, suspend or terminate institutional participation in federal financial aid against the institution; or
- b) the Commission acts to withdraw, terminate, or suspend the accreditation or candidacy status of an institution; or
- c) a state or other government authorizing authority notifies the accrediting agency that an institution's license or legal authorization to provide an educational program has been or will be revoked; or
- d) the institution notifies the Commission that the institution intends to cease operations; or
- e) the institution notifies the Commission that it intends to close one or more locations that provide 100% of at least one degree program; or
- f) the institution notifies the Commission that it will cease instruction in one or more degree programs before all students have a reasonable opportunity to graduate.

Should any of the above 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.

The plan will be approved if it:

1. is consistent with applicable standards (see Standard 4.9)
2. provides 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;
3. demonstrates the institution's stability and the ability to carry out its mission and meet all obligations to existing students; and
4. 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 notification to students of any additional charges.

In most cases a teach-out plan will include a teach-out agreement. For these purposes, 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.”

An agreement will be approved if it:

1. is consistent with applicable standards (See Standard 4.9);
2. provides for the equitable treatment of students by ensuring that the teach-out is offered by an institution that has the necessary experience, resources, and support services to:
  - provide, insofar as possible without additional charge to the students, an educational program that is of acceptable quality and reasonably similar in content, structure, and scheduling to that provided by the institution ceasing operation entirely or of one of its programs or at one of its locations;
  - remain stable, carry out its mission, and meet all its obligations to students;
  - provide students access to program(s) and services without requiring them to move or travel great distances;
3. requires the teach-out institution to provide notification to students of any additional charges

If the Commission approves a teach-out plan that includes a program that is accredited by another recognized accrediting agency, it will notify that agency of the plan’s approval.

If a candidate or accredited institution closes without a teach-out plan or agreement, the Commission 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 over what they would have paid at the closed institution.

*March 7, 1997*  
*April, 2007*  
*November, 2007*  
*April, 2010*  
*November, 2012*  
*April, 2013*  
*Editorial changes July 2016*