



ACCET Document 32 – Teach-Out/Closure Policy

In accordance with ACCET standards, an institution is required to “*have resources sufficient to provide quality education, training, and student services and to complete the instruction of enrolled students.*” Therefore, an institution must provide currently enrolled students the opportunity to complete their training whether instruction is provided (1) by the institution, (2) at another institution that has agreed to teach-out the students, or (3) through refunds or other funding paid to or on behalf of students to enable them to continue their training elsewhere. The institution’s teach-out plan and, if applicable, teach-out agreement(s) must be approved by ACCET prior to implementation. In the event that a teach-out by another institution is required, ACCET will work with the US Department of Education (US ED) and the appropriate state and accrediting agencies, to the extent feasible, to ensure that students are given a reasonable opportunity to complete their training without additional charges.

An institution must submit to ACCET a comprehensive closure and teach-out plan to complete the training of all currently enrolled students, including when (1) an institution indicates an intention to close, (2) ACCET determines that the institution lacks sufficient financial and/or administrative resources to properly operate the institution and/or complete the training of enrolled students, (3) an institution is placed on show cause, (4) an institution requests an appeals hearing to consider the Commission’s denial or withdrawal of accreditation, and/or (5) an event specified in the Higher Education Opportunity Act (HEOA) occurs that requires a teach-out plan, as described below.

In accordance with HEOA, an institution must submit a teach-out plan upon the occurrence of any of the following events:

1. The Secretary of the US ED notifies ACCET of either an emergency action initiated against the institution or an action to limit, suspend, or terminate an institution participating in any Title IV federal financial aid program;
2. ACCET acts to withdraw, terminate, or suspend the accreditation of the institution;
3. The institution notifies ACCET that the institution intends to cease operation entirely or close a location that provides one hundred percent of at least one program; or
4. A state licensing or authorizing agency notifies ACCET that an institution’s license or legal authorization to provide an educational program has or will be revoked.

A teach-out plan must include (a) the institution’s plan to complete the training of all currently enrolled students; (b) if applicable, an executed teach-out agreement with one or more institutions (currently offering programs comparable to those offered at the closing institution and, for vocational programs, located in reasonable geographic proximity) to conduct the teach-out; and (c) if applicable, a description of how a tuition recovery fund or other means will be used to make student refunds or financially support the teach-out.

Teach-Out Plan (Minimum Requirements)

A teach-out plan must adequately address and include, at minimum, each of the following issues:

1. A list of all currently enrolled students that identifies by program the following information for each student: (a) student name, (b) last four digits of the social security number, if applicable, (c) program start date, (d) program end (completion) date, (e) the amount charged for tuition and fees, (f) the amount paid for tuition and fees by or on behalf of the student, and (g) the amount of any refund and Return to Title IV due to or on behalf of the student.
2. The date of the last classes for each program and the date of the site closure.
3. Arrangements for the transfer of all current and former student records, including educational, accounting, and financial records, to a safe, secure, and accessible location and in accordance with applicable legal requirements in the event the institution closes.
4. An explanation, accompanied by appropriate supporting documentation and timelines, of how the closing institution will notify students in the event of closure and, if applicable, how the closing institution will notify students of the teach-out.
5. Procedures to ensure that the delivery of training and services to students will not be materially disrupted and that obligations to students will be timely met. If the teach-out is not to be completed at the institution, identify the following information for each institution that currently offers programs comparable to those at the closing institution and may be available to conduct the teach-out of some or all students: (a) name, address, phone number, and contact person of the institution; (b) name and clock hours of the comparable programs offered; and (c) assurance that the institution meets the requirements specified below under Teach-Out Agreement. Note that any executed teach-out agreement(s) must be submitted for approval by ACCET as indicated below.
6. A statement affirming that the institution will follow all state requirements pertaining to teach-outs, teach-out agreements, and closures, including state guidelines regarding tuition recovery funds and/or bonds, if applicable.
7. Submission to ACCET of Document 28.1(s) – Completion and Placement Statistics for the year to date and final Document 28.1(s) within 90 days of the last graduating class (vocational institutions only).
8. An explanation of how job placement services will be provided to all currently enrolled students and recent graduates of the closing institution (vocational institutions only).

Teach-Out Plan (Additional Requirements)

If conditions warrant, an institution may be required to provide a teach-out plan that addresses additional issues including:

1. The following documentation for each currently enrolled student: (a) enrollment agreement for vocational institutions and/or other enrollment documents for other institutions; (b) up-to-date academic transcript for vocational institutions or cumulative academic progress report

for other institutions; and (c) up-to-date account card or student ledger showing all tuition and fees charged, all payments made by or on behalf of the student, and the balance.

2. A staffing plan for the duration of the teach-out that identifies (by month) the faculty and staff to be employed at the institution.
3. Internally generated financial statement(s) that identify (by month) the projected revenue and projected expenses for the duration of the teach-out.

Before ACCET approves a teach-out plan that includes a program that is accredited by another recognized accrediting agency, ACCET will confer with that accrediting agency and will subsequently notify the agency of the approval.

Teach-Out Agreement

As part of the teach-out plan, an institution may be required to submit an executed teach-out agreement with one or more institutions agreeing to complete the training of students from the closing institution. ACCET will approve a teach-out agreement only if the agreement is consistent with applicable standards and regulations and provides for the equitable treatment of students by ensuring that the teach-out institution has the necessary experience, resources, and support services to:

- provide an educational program of acceptable quality and of reasonably similar content, structure, and scheduling to that of the institution that is ceasing operations either entirely or at one of its locations; and
- remain stable in order to carry out its mission and meet all obligations.

If an institution enters into a teach-out agreement, the agreement must be approved by ACCET prior to implementation. In such cases, the institution must provide documentation to demonstrate that the educational program(s) provided by the teach-out institution is of acceptable quality. The teach-out institution must have (a) sufficient experience, resources, and support services; (b) a program comparable in content, structure, and scheduling to that of the closing institution; and (c) an accessible location which does not require students to move or travel for substantial distances or durations. The following elements will be considered in approving the agreement:

1. The agreement is with one or more institutions accredited by an agency that is nationally recognized by the US ED, state-licensed, and currently offers programs comparable to those offered at the closing institution and will be capable of conducting a teach-out.
2. The agreement states that students will be provided, without additional charge, all the instruction for which the student originally contracted and paid but did not receive due to the closure of the institution. This does not preclude a student from the closing institution from voluntarily transferring into the teach-out institution and receiving additional training for an additional cost, with the student notified of such costs.
3. The agreement clarifies the financial responsibilities of all parties, including the assumption of any liability.

4. The agreement indicates the location and type of facility where the student will be taught out, as well as any arrangements for new or additional sites.
5. The agreement states whether, upon completion of the program, the student will receive a diploma or certificate from the teach-out institution, or whether the diploma or certificate will be awarded by the closing institution.
6. The agreement indicates whether students who had already enrolled, but who had not yet started their program of study at the closing institution or who are on a leave of absence from the closing institution, will be entitled to begin training or re-enroll at the teach-out institution.
7. The agreement states that the closing institution will provide the teach-out institution with copies of the following records for the students being taught out: (a) enrollment agreements; (b) financial aid transcripts; (c) attendance records; (d) academic transcripts; (e) student registration list; and (f) student account records.
8. The agreement provides for placement services to students who complete their courses of study.
9. The agreement requires that the teach-out institution separately maintain records and document student performance under accrediting standards for the students being taught out.
10. The agreement provides for appropriate notification to the Accrediting Commission and federal and state authorities.
11. The agreement complies with applicable federal and state law.

ACCET will not permit an institution to serve as a teach-out institution under the following conditions:

1. The institution is subject to items 1–4 on page one of this document which trigger a teach-out plan requirement.
2. The institution is on probationary or equivalent status with its accrediting agency.
3. The Secretary of US ED has expressed concern regarding the institution's financial stability.
4. The institution is under a provisional program participation agreement which requires a teach-out plan as a condition of participation.
5. 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.

ACCET may waive requirements regarding the percentage of credits that must be earned by students at the institution awarding the educational credential if the students are completing their program through a written teach-out agreement or transfer.

ACCET requires the closing institution to provide copies of all notifications 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.

Closure without Teach-Out Plan/Agreement

If an ACCET-accredited institution closes without a teach-out plan or agreement, ACCET will work with US ED and the appropriate state agency to the extent feasible to assist students in finding reasonable opportunities to complete their training without additional charges.

The owners and/or senior administrators of an institution that precipitously closes without providing adequate arrangements for the students enrolled at the institution at the time of closure, including an adequate teach-out plan/agreement to minimize the risk and hardships to its students, will be subject to a review by the Accrediting Commission for consideration of debarment.