

27. Policy on Teach-Out Plans

Institutions must submit in a timely manner for Commission approval a **comprehensive**, written plan for the teach-out of its enrolled students when any of the following events takes place:

- The Department of Education has notified the Commission of an action against the institution pursuant to Federal Regulations, Section 487 (f) [20 USC 1099 b];
- The Commission has withdrawn accreditation from an institution;
- **The Commission had directed the institution to Show Cause as to why its accreditation should not be withdrawn;**
- A State licensing or authorizing agency notifies DETC that an institution’s license or legal authorization has been or will be revoked;
- The institution has notified the Commission that it intends to cease operations; or
- The Commission has made a determination that an institution appears to lack sufficient resources to sustain the effective operation in meeting its obligations to students.

Teach-Out Plan: At a minimum, the proposed teach-out plan must ensure that all students who enrolled in the institution receive all of the training or education under the terms of their contracts, to include receiving all learning materials and student services on a timely basis.

A teach-out plan must address and/or provide:

- **The institution’s plan to teach-out its own students; or,**
- **An executed teach-out agreement with one or more appropriately accredited institutions currently offering programs similar to those offered at the closing institution;**
- **A listing, by name and student number, of all students in each program and their estimated completion/graduation dates, the status of unearned tuition, all current refunds due and account balances.**
- **Arrangements for disposition of all student records, including educational, accounting, and financial aid records, in an accessible location and in accordance with applicable legal requirements in the event the institution closes;**
- **Instructions on how curricula and learning management software may be accessed to conduct a teach-out;**
- **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 the students of the teach-out;**
- **A statement which evidences that state regulations regarding any student protection funds and/or bonds are followed, if applicable;**
- **A description of what financial resources will be used to make student refunds or fund the teach-out.**

The Accrediting Commission will review any teach-out plan that includes a program that is accredited by another recognized accrediting agency. It will notify that accrediting agency of any approval or rejection.

Teach-Out Agreement: The DETC Accrediting Commission will approve a teach-out agreement only if the agreement is consistent with DETC standards and the criteria listed below and provides for the equitable treatment of students. The teach-out institution must have the necessary experience, resources, and support services to provide an educational program of acceptable quality and that is reasonably similar in content and structure to that provided by the institution that is ceasing operations.

When a DETC institution enters into a teach-out agreement voluntarily or at the Commission’s direction, the agreement must be approved by DETC prior to implementation. In such cases, the institution must provide documentation to demonstrate that the educational programs provided by the teach-out institution are of acceptable quality.

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 recognized by the U.S. Department of Education and/or the Council for Higher Education Accreditation. The institution is state licensed, and the institution currently offers programs similar to those at the closing institution.**
- 2. The agreement states that the student will be provided all the instruction, without additional cost, for which the student originally contracted and paid, but did not receive due to the [pending] closure of the institution.**
- 3. The agreement clarifies the financial responsibilities of all parties, including the assumption of any liabilities for tuition refunds.**
- 4. The agreement states whether, upon completion of the program, the student will receive a diploma, certificate or degree from the teach-out institution, or whether the diploma or certificate will be awarded by the closing institution.**
- 5. The agreement indicates whether students who have 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.**
- 6. 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:**
 - Enrollment agreements**
 - Financial aid transcripts**
 - Study/progress records**
 - Academic transcripts**
 - Student account records**
 - Any relevant curricula materials**

7. **The agreement requires that the teach-out institution maintain records and documents for the students being taught out, and that the teach-out institution will report back to DETC on a periodic basis the status of the teach-out.**
8. **The agreement provides for appropriate notification to the DETC Accrediting Commission and federal and state authorities.**
9. **The agreement complies with applicable federal and state laws.**

Closure without Teach-Out Plan/Agreement: If an DETC accredited institution closes without a teach-out plan or agreement, DETC will work with the U.S. 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.

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(Revision adopted June 2011)

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