

Teach-Out Plans and Agreements Procedures

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I. Purpose

The Mid-Atlantic Region Commission on Higher Education (MARCHE), doing business as the Middle States Commission on Higher Education (MSCHE or the Commission), seeks to ensure that institutions submit a written teach-out plan to ensure the equitable treatment of students upon the occurrence of certain events or circumstances. The purpose of these procedures is to implement the *Teach-Out Plans and Agreements Policy* and *Substantive Change Policy* regarding teach-out plans and/or agreements.

II. Procedures for Early Notification

- A. The institution will notify the Commission staff liaison as soon as it is aware of a potential circumstance requiring a teach-out plan, as delineated in Commission policy. This communication can occur informally (via phone call or email) to the Commission staff liaison.
- B. The institution will also notify the appropriate state higher education entit(ies) and the United States Department of Education (USDE) as soon as possible. The institution will meet all state and federal requirements when a teach-out plan is required and will work with the appropriate agencies to ensure the equitable treatment of students.
- C. The institution will notify all relevant stakeholders (currently enrolled and prospective students, faculty and staff, other stakeholders, and the public) as soon as possible that it will be implementing a teach-out plan. The institution will continually notify all relevant stakeholders of pertinent information related to the teach-out plan as it becomes available.
 1. The institution will notify currently enrolled and prospective students of additional financial charges, if any, that might be incurred as a result of the teach-out plan.
 2. Any notifications or information about teach-out agreements with other institutions must provide clear and accurate information about the number and types of credits that will be accepted and specify additional financial charges, if any, that will be charged by the teach-out institution.
 3. The Commission will require the institution to provide evidence that all notifications have been made in the *Teach-Out Plans and Agreements Form*.

4. The Commission may require corrections to misleading or inaccurate information.
- D. The institution will notify the designated Commission staff liaison, at any time, of revisions or amendments to the teach-out plan throughout or after the review process.

III. Procedures for the Submission of the Teach-Out Plan

- A. The Commission will require the institution to submit a teach-out plan and if applicable, teach-out agreement(s), for review prior to implementation for any circumstance or substantive change that requires a teach-out plan as delineated in Commission policy and procedures in accordance with the Commission's *Substantive Change Policy and Procedures*, *Teach-Out Plans and Agreements Policy and Procedures*, and federal regulation *34 CFR § 602.23(f)(1)(ii)* and *§ 602.24(c)(1) and (2)*. The circumstances requiring a teach-out plan are listed in the *Teach-Out Plans and Agreements Policy* and are summarized here:
1. Candidate for Accreditation status;
 2. Determination by an independent auditor expressing doubt about the institution's ability to operate as a going concern or indicating an adverse opinion or material weakness related to financial stability;
 3. Commission non-compliance action of probation or show cause;
 4. Provisional program participation agreement;
 5. Heightened cash management (HCM 2);
 6. Secretary of Education's emergency action to limit, suspend, or terminate the institution's participation in any title IV, HEA program;
 7. Commission adverse action to deny candidate status or accreditation, or withdraw the candidate status or accreditation of the institution;
 8. Institution intends to cease operations entirely;
 9. Institution intends to close any location (with enrolled students) that provides one hundred percent of at least one program;
 10. A State licensing or authorizing agency will revoke license or legal authorization;
 11. Institution voluntarily surrenders candidate for accreditation status or accreditation;
 12. Any other substantive change requiring a teach-out such as a complex substantive change;
 13. Other circumstances at the discretion of the Commission.
- B. The Commission will request a teach-out plan through an accreditation action if that teach-out plan is not related to a substantive change. If the teach-out plan is related to a substantive change, the institution will submit the teach-out plan according to the instructions provided in the substantive change request form.
- C. The institution will develop a teach-out plan that is comprehensive and implementable pursuant to the instructions provided in the *Teach-Out Plans and Agreements Form*.
1. The institution will download the form from the MSCHE website.
 2. The institution will compile all required attachments which clearly and concisely provide the required documentation and evidence.

3. The institution will specifically reference all attachments within the narrative so that the relevance of the attachment is explicit.
 4. The institution will label all attachments exactly as stated in the *Teach-Out Plans and Agreements Form*.
 5. The institution will create one single PDF document combining the form and all attachments together.
 6. The institution's Accreditation Liaison Officer (ALO) will verify and certify the submission.
- D. In the *Teach-Out Plans and Agreements Form*, the institution will describe a comprehensive and implementable plan to make reasonable accommodations and assist students with completing educational programs or credentials or transferring to a new institution. The institution may be required to update the teach-out plan periodically by the Commission.
- E. In the *Teach-Out Plans and Agreements Form*, the institution will identify an estimated teach-out period during which time it can reasonably complete the full implementation of the teach-out plan and any agreement(s). If the institution is closing, it will also identify an anticipated date of closure.
1. The length of the teach-out period will depend on the type of teach-out.
 - a. For a planned institutional closure when the institution is teaching out its own students, the time period generally ranges from 12-24 months.
 - b. For a sudden institutional closure, the time period will be shorter.
 - c. For a candidate institution, the teach-out period may not exceed 120 days unless approved for good cause by the Commission in accordance with federal regulation *34 CFR § 602.23(f)(1)(iii)*.
 2. The Commission may approve a longer teach-out period when the institution has provided evidence that an extended period is warranted to equitably provide for students to complete their education and that the institution will continue to meet the Commission's standards for accreditation, requirements of affiliation, policies and procedures, and applicable federal regulatory requirements.
 3. The teach-out period will not extend beyond the date that an institution holds legal authorization or degree granting authority, the date of closure, or the date that accreditation will cease.
 4. When an institution closes, the Commission, in its sole discretion, will set the effective date that accreditation will cease.
 - a. The Commission will consider the date the institution has indicated in light of the capacity of the institution to continue instruction, the institution's accreditation status, the status of activities to close down operations, and the status of teach-out activities that are being implemented to assist students.
 - b. The Commission may permit the institution to continue operating without offering instruction for one additional semester for the express purpose of assisting students to complete programs or successfully transfer.

- F. In the *Teach-out Plans and Agreements Form*, the institution will provide a comprehensive plan for the disposition of all records related to the teach-out (e.g., student transcripts, billing, financial aid records), with the goal of ensuring that students can obtain records now and into the future.
- G. In the *Teach-out Plans and Agreements Form*, the institution will describe any state and federal requirements related to the teach-out. If the institution is closing, the institution will provide evidence of necessary approvals or that it has at least initiated the required process. The Commission will require an updated teach-out plan until all necessary approvals are documented.
- H. In the *Teach-Out Plans and Agreements Form*, an institution that plans to teach-out its own students must demonstrate the ability to complete the full implementation of the teach-out plan, including the capacity to teach-out its own students. The Commission will require the institution to submit teach-out agreements with other institutions if the institution does not demonstrate the ability to complete the teach-out on its own.
- I. In the *Teach-Out Plans and Agreements Form*, an institution that is closing will also provide (1) A complete list of students currently enrolled in each program at the institution and the program requirements each student has completed; (2) A plan to provide all potentially eligible students with information about how to obtain a closed school discharge and, if applicable, information on State refund policies; and (3) A record retention plan to be provided to all enrolled students that delineates the final disposition of teach-out records (e.g., student transcripts, billing, financial aid records).
- J. The institution's ALO will upload the completed *Teach-Out Plans and Agreements Form* to the secure MSCHE portal as a single PDF document. If teach-out agreements are required or the institution elects to enter into teach-out agreements, please see section IV for further instructions specific to teach-out agreements. The institution will combine all teach-out agreements with the teach-out plan into a single PDF document.
 - 1. The ALO must click "complete."
 - 2. The ALO will receive a confirmation email that the form has been uploaded.

IV. Procedures for the Submission of Teach-Out Agreements

Teach-out agreements are written agreements with other institutions which may be used to assist in the implementation of the teach-out plan. The purpose of the teach-out agreement is to make accommodations for and assist students as much as possible and provide clear and transparent information regarding those arrangements. Teach-out agreements should hold teach-out institutions equally responsible for clearly articulating the details of the arrangement to students, including but not limited to notifying students of the arrangements and providing accurate information on the number and types of credits that will transfer, locations where instruction will be offered, any additional financial charges, or changes in tuition and fees.

- A. The Commission will require teach-out agreements with other institutions in addition to the teach-out plan, if practicable, for at least the following:
 - 1. Heightened Cash Monitoring (HCM 2);

2. Secretary of Education emergency action to limit, suspend or terminate the institution's participation in any title IV, HEA program;
 3. Commission adverse action to deny candidate for accreditation status or accreditation, or withdraw the candidate for accreditation status or accreditation of the institution;
 4. Institution intends to close (will cease operations entirely);
 5. Institution intends to close a location (with students enrolled) that offers 100% of an educational program;
 6. State licensing or legal authorization has been or will be revoked.
- B. At its discretion, the Commission staff may require the institution to enter into teach-out agreements in accordance with federal regulation *34 CFR § 602.24(c)(5)* and will notify the institution of this requirement in its accreditation action.
- C. The institution may elect to enter into a teach-out agreement(s) with other institutions to assist with the implementation of the teach-out plan.
- D. The teach-out agreement should include a comprehensive description of the arrangements being made for students between the two institutions, including at least the following critical information:
1. Information on the number and types of credits that will be accepted by the teach-out institution;
 2. Information on the specific locations where instruction will be offered by the teach-out institution;
 3. Any additional financial charges or changes in tuition and fees.
 4. A description of the relevant educational program to ensure that it is comparable in quality and reasonably similar in content, delivery modality, and scheduling.
- E. If teach-out agreements are required by the Commission or the institution elects to enter into agreements with other institutions, the teach-out institutions must have candidate for accreditation status or accreditation status and be in good standing with an accrediting agency recognized by the USDE. In addition, the teach-out institution must not be subject to any of the following criteria:
1. A determination by an independent auditor expressing doubt about the institution's ability to operate as a going concern, or an adverse opinion or a finding of material weakness;
 2. The institution is on probation or equivalent status;
 3. The institution is participating in title IV, HEA under a provisional participation agreement;
 4. The Secretary has placed the institution on heightened cash management (HCM2);
 5. The Secretary has initiated an emergency action against the institution to limit participation in any title IV, HEA program;
 6. An agency has acted to withdraw, terminate or suspend the accreditation or preaccreditation of the institution;
 7. The institution intends to cease operations entirely;
 8. A state licensing or authorizing agency will or has revoked the institution's legal authorization;

9. 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.
- F. If teach-out agreements are required or the institution elects to enter into agreements with other institutions, the Commission will require the institution to submit signed copies of any teach-out agreements and any other documentation supporting the agreement in its submission. The Commission may not process the submission until signed copies are provided.
 - G. The institution will submit all teach-out agreements with the teach-out plan as a single PDF document.

V. Procedures for Commission Review and Action

- A. The Commission will review the teach-out plan and teach-out agreement(s) in accordance with federal regulation *34 CFR § 602.24(c)(1-10)*.
- B. The Commission staff will review all submissions to ensure they are materially complete.
- C. The Commission staff have the authority to determine whether or not the teach-out plan and agreements form is complete at any time during the review process.
 1. The Commission staff may request additional information, including teach-out agreements, from the institution before proceeding with the review process.
 2. If requested additional information is not yet available, the review may be delayed.
 3. If requested additional information is not provided, the Commission staff may reject the teach-out plan and require resubmission in accordance with *Accreditation Actions Policy and Procedures*.
- D. The Commission staff will assign peer evaluators in accordance with the Commission's *Peer Evaluators Policy and Procedures*.
 1. Peer evaluators selected for the review of a teach-out plan have appropriate qualifications, relevant experience or expertise, and training.
 2. Each peer evaluator must complete or update an Evaluator Data Form (EDF), disclose any conflicts of interest, verify they have no conflict of interest with the specific assignment, agree to the *Statement of Ethical Conduct*, and complete the *Antitrust Certification of Compliance*, in order to serve.
 3. The institution will have the opportunity to affirm that there is no conflict of interest with the proposed roster through the secure MSCHE portal.
 4. The Commission will reassign peer evaluators if a conflict of interest is identified in accordance with Commission policy and procedures.
- E. Peer evaluators may request additional information that is required to clarify information or verify compliance.
 1. Peer evaluators will formally request specific documents that are required to clarify information or verify compliance.

2. Peer evaluators will create a list of specific documents and forward the list to the institution according to established deadlines.
 3. All additional information that is requested must be documented by peer evaluators in the *Teach-Out Plans and Agreements Review Report*.
 4. The institution will upload all requested additional information into the secure MSCHE portal according to the established deadlines. All additional information that is requested must be documented and uploaded to the secure MSCHE portal.
 5. If requested additional information is not yet available, the review may be delayed.
 6. If requested additional information is not provided, peer evaluators may recommend that the Commission reject the teach-out.
- F. Peer evaluators will review the teach-out plan to ensure it meets the criteria established in Commission policy and procedure and federal regulation *34 CFR § 602.24(c)*, including but not limited to the following:
1. The teach-out plan is comprehensive and implementable;
 2. The teach-out plan provides reasonable accommodations for students to complete their education;
 3. The teach-out plan includes an inventory of academic programs included in the teach-out.
 4. The teach-out plan includes a plan for transparent and clear communication about the teach-out and provides copies of notifications made to students. The institution specifies and notifies students of any additional financial charges, if any.
 5. The teach-out plan includes a plan for the disposition of all records related to the teach-out.
 6. The teach-out plan provides a plan for meeting all state and federal requirements related to the type of teach-out.
 7. The teach-out provides an orderly plan for any anticipated changes to faculty and staff.
 8. The institution provides all necessary information outlined in the *Teach-Out Plans and Agreements Form*.
- G. If a teach-out agreement was required by the Commission or the institution elected to enter into a teach-out agreement(s), peer evaluators will review the teach-out agreement(s) to ensure the agreement meets the criteria established in Commission policy and procedures and federal regulation *34 CFR § 602.24(c)*. The Commission will approve the teach-out agreement(s), only if the agreement:
1. is consistent with applicable standards and regulations;
 2. provides reasonable accommodations for students to complete their education without having to travel substantial distances or durations;
 3. provides comparable educational programs that is of acceptable quality and reasonably similar in content, delivery modality, structure, and scheduling;
 4. are between institutions that meet the criteria for acceptable teach-out institutions described in Section IV;
 5. are clear and transparent about the number and type of credits that will be accepted by the teach-out institution;

6. specifies any additional financial charges, if any, and requires the teach-out institution to notify students of any additional financial charges; and
 7. are signed by each institution subject to the agreement.
- H. Upon completion of the review, the peer evaluators will complete the *Teach-Out Plans and Agreements Review Report* summarizing their findings. The report includes the action that the peer evaluators are proposing to the Commission.
- I. The lead evaluator will upload the *Teach-Out Plans and Agreements Review Report* to the secure MSCHE portal according to established deadlines.
- J. The Commission staff will make the *Teach-Out Plans and Agreements Review Report* available to the institution.
- K. The institution will have the opportunity to respond in writing through an *Institutional Response*.
- L. The Commission, through its multi-level decision making process, will analyze all of the accreditation materials and any other appropriate and substantiated information available to it.
- M. The Commission will take an accreditation action in accordance with its *Accreditation Actions Policy and Procedures*.
- N. The Commission will provide notification of accreditation actions in accordance with *Communication in the Accreditation Process Policy and Procedures* and federal regulation *34 CFR § 602.26*.
- O. If the teach-out plan includes a program that is accredited by another recognized accrediting agency, the Commission will notify that agency of the approval of the teach-out plan in accordance with federal regulation *34 CFR § 602.24(c)(4)*.
- P. The Commission will display a statement about the teach-out for institutions for which accreditation will cease (the institution is closing, voluntarily surrendering accreditation or candidate for accreditation status, or accreditation or candidate for accreditation status will be withdrawn). The statement will include critical information for students and the general public, including but not limited to the accreditation status of the institution at the time of the teach-out, the date that accreditation will cease, the name and location of teach-out agreement institutions, and information about where students can obtain records. The statement will be posted for the public in the online institution directory on the MSCHE website in conjunction with the notification of accreditation actions process. A sample of the teach-out statement is provided below:
On (date), the Middle States Commission on Higher Education approved the teach-out plan developed by (institution name) because (reason for teach-out). The purpose of the teach-out plan is to assist students who are near completion of a credential finalize and complete academic requirements. To assist with the

implementation of the teach-out plan, (Institution name) entered into teach-out agreements with (teach-out agreement institution name(s), city/state). Students may obtain records at (name of repository). To note that accreditation will cease on (date). As of (date), (institution name) will no longer be accredited by the Middle States Commission on Higher Education www.msche.org. For more information, see the Commission's Teach-Out Plans and Agreements Policy and Procedures.

- Q. In addition to all required notifications, the institution will display an official public disclosure about the teach-out prominently on its website for all types of teach-out plans. The disclosure should be forthright and honest and provide the reason for and purpose of the teach-out plan. If the institution is entering into teach-out agreements, the disclosure must provide the name of the teach-out institution(s), city/state, copies of any teach-out agreement(s), and any additional information that may be helpful to students in transferring to the teach-out institution, such as any admission requirements, the number and types of credits that will be accepted, and any additional financial charges, if any. The disclosure should include contact information for students to obtain student records now and into the future and indicate the date that accreditation will cease, as applicable to the type of teach-out.

1. Institutions that are closing (accreditation will cease) should use the following statement:

On (date), the Middle States Commission on Higher Education approved the teach-out plan developed by (institution name). (Institution name) is implementing a teach-out plan because (reason for teach-out). The purpose of the teach-out plan is to assist students who are near completion of a credential finalize and complete academic requirements. To assist with the implementation of the teach-out plan, (Institution name) has entered into teach-out agreements with (teach-out agreement institution name(s), city/state).

Students may obtain records at (name of repository of student records and contact information).

As of (date that accreditation will cease), (Institution name) will no longer be accredited by the Middle States Commission on Higher Education www.msche.org.

2. Institutions that are closing a location or site should use the following statement:

On (date), the Middle States Commission on Higher Education approved the teach-out plan developed by (institution name). (Institution name) is implementing a teach-out plan because it is closing (name of site and address). The purpose of the teach-out plan is to assist students who are near completion of a credential finalize and complete academic requirements. To

assist with the implementation of the teach-out plan, (Institution name) has entered into teach-out agreements with (teach-out agreement institution name(s)).

Students may obtain records at (name of repository of student records, mailing address, email address, telephone number).

As of (date that instruction will cease at the site), (name of site) will close, and will no longer be included within (Institution name's) scope of accreditation with the Middle States Commission on Higher Education www.msche.org.

3. Institutions under other circumstances requiring a teach-out plan, should contact the Commission staff liaison to develop a statement for public disclosure.
- R. The institution is required to continue to meet the standards for accreditation, requirements of affiliation, policies and procedures, and applicable federal regulatory requirements throughout the teach-out period and/or until the date that accreditation will cease, including but not limited to the following:
1. The institution will pay dues and fees during the teach-out period in accordance with the Commission's *Dues and Fees Policy and Procedures*.
 2. The institution will complete all accreditation activities in accordance with its accreditation review cycle or as requested in a prior Commission action, including any follow-up reports or visits and the Annual Institutional Update (AIU), during the teach-out period.
- S. The Commission will monitor the implementation of the teach-out plan and will take action if the institution fails to implement the teach-out plan or its agreements.
- T. If a candidate or accredited institution closes without an approved teach-out plan or agreement, the Commission will work with the USDE and the appropriate State agencies, to the extent feasible, to assist students in finding reasonable opportunities to complete their education without additional charge in accordance with federal regulation *34 CFR § 602.24(d)*.
1. The Commission will display on its website that the former candidate or accredited institution closed without an approved teach-out plan.
 2. The Commission may restrict an institution's future application for candidate for accreditation status if the applicant institution previously closed or ceased operations without an approved teach-out plan, or if the proposed new owner(s) or manager(s) were directly or indirectly involved with an institution that previously closed or ceased operations without an approved teach-out plan.

VI. Definitions

The following definitions are used in this policy and/or procedures:

- A. Institution directory.** The Commission’s online listing of institutions that currently have candidate for accreditation status with or are accredited by MSCHE. The institution directory also provides pertinent information about former candidate or accredited institutions.
- B. Teach-out.** A process during which an institution or institutional location that provides 100 percent of at least one program engages in an orderly closure or when, following the closure of an institution or location, another institution provides an opportunity for the students of the closed school to complete their program, regardless of their academic progress at the time of closure. (*federal definition in 34 CFR § 600.2, slightly modified to remove the word “program”*).
- C. Teach-out agreement.** A written agreement between two or more institutions that provides for the equitable treatment of students and a reasonable opportunity for students to complete their program of study if an institution, or an institutional location that provides one hundred percent of at least one program offered, ceases to operate before all enrolled students have completed their program of study. (*federal definition in 34 CFR §602.3*)
- D. Teach-out period.** The start and end date for the full implementation of the teach-out plan and any teach-out agreements.
- E. Teach-out plan.** A written plan developed by the institution that provides for the equitable treatment of students if an institution, or an institutional location, ceases to operate before all students have completed their program of study, and may include, if required by the institution’s accrediting agency, a teach-out agreement between institutions. (*federal definition in 34 CFR §602.3*)

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Related Documents: *Teach-Out Plans and Agreements Policy; Teach-Out Plans and Agreements Form; Substantive Change Policy, Substantive Change Procedures; Complex Substantive Change Procedures; Substantive Change Guidelines*

Federal Regulations: *34 CFR § 602.23(f)(1)(ii); §602.24(c)(1-10) Teach Out plans and agreements; § 602.24(d) Closed institution.*