POLICY #36 TEACH-OUT (ACEN TITLE IV GATEKEEPER PROGRAMS ONLY)

APPLIES ONLY TO GOVERNING ORGANIZATIONS/NURSING PROGRAMS FOR WHICH THE ACEN SERVES IN A TITLE IV FINANCIAL AID GATEKEEPER CAPACITY.

GLOSSARY OF TERMS

Please see the ACEN Glossary for the definition of the following terms:

- Teach-Out
- Teach-Out Agreement
- Teach-Out Plan

1. The ACEN requires a teach-out agreement or a teach-out plan from a governing organization/nursing program it accredits when:
   a. The United States Department of Education (USDE) or the ACEN requests the teach-out agreement or a teach-out plan as a way for a governing organization/nursing program to demonstrate its obligation to fulfill its educational commitment to currently enrolled nursing students.
   b. A governing organization decides to close the institution, a nursing program, or an off-campus instructional site or branch campus where 100% of a nursing program is offered. See ACEN Policy #16 Closings.
   c. The ACEN Board of Commissioners places the governing organization/nursing program on continuing accreditation for good cause (under CFR 602.24(c)(1)(ii) good cause is an equivalent status to probation).
   d. The ACEN Board of Commissioners denies the governing organization/nursing program continuing accreditation. If the governing organization/nursing program does not appeal the denial decision, the ACEN Board of Commissioners may extend the governing organization's/nursing program’s accreditation until the governing organization/nursing program has had reasonable time to complete the activities in the teach-out agreement approved by the ACEN to assist students in transferring or completing their programs; if extended, then the status during the extension period will be continuing accreditation for good cause regardless of what the status was at the time of the Board of Commissioners’ decision. The ACEN Chief Executive Officer shall determine what is a reasonable amount of time to complete the activities in the teach-out agreement however, the amount of time shall not exceed 120 calendar days from the effective date of the Board of Commissioners’ decision.
   i. If the governing organization/nursing program does not appeal the denial of continuing accreditation decision, the ACEN Board of Commissioners may extend the governing organization's/nursing program’s accreditation
until the governing organization/nursing program has had reasonable time to complete the activities in its ACEN-approved teach-out plan or to fulfill the obligations of any ACEN-approved teach-out agreement developed to assist students in transferring or completing their program of study. Even if a governing organization/nursing program does not appeal the denial decision, an extension is not guaranteed and extending the governing organization's/nursing program's accreditation is the sole authority of and subject to the approval by the ACEN Board of Commissioners.

ii. If the program's accreditation status is extended, the status during the extension period will be “continuing accreditation for good cause” regardless of what the status was at the time of the Board of Commissioners’ decision.

iii. The ACEN Chief Executive Officer shall determine what is a reasonable amount of time to complete the activities in the teach-out agreement however, the amount of time shall not exceed 120 calendar days from the effective date of the Board of Commissioners’ decision.

e. The ACEN has reasonable cause for concern regarding the financial stability and/or continuing operations of a governing organization/nursing program it accredits. Reasonable cause includes but is not limited to the:

i. governing organization being placed on heightened cash management 1 (HCM1) or heightened cash management 2 (HCM2) status by the United States Department of Education;

ii. governing organization’s independent auditor’s expressed doubt with the governing organization’s ability to operate as a going concern or indicating an adverse opinion or a finding of material weakness related to financial stability;

iii. governing organization asserts financial exigency; or

iv. governing organization files bankruptcy.

f. The ACEN grants candidacy to a governing organization/nursing program and the ACEN is the Title IV gatekeeper for the governing organization/nursing program.

g. The USDE notifies the ACEN of the USDE’s determination that the governing organization’s independent auditor expressed doubt with the non-profit or proprietary governing organization’s ability to operate as a going concern or indicating an adverse opinion or a finding of material weakness related to financial stability.

h. The USDE notifies the ACEN that the governing organization is participating in Title IV, HEA programs under a provisional program participation agreement and the USDE has required a teach-out plan as a condition of participation.

i. The USDE notifies the ACEN that it has placed the institution on the reimbursement payment method under 34 CFR 668.162(c) or the heightened cash monitoring payment method requiring the Secretary’s review of the governing organization’s supporting documentation under 34 CFR 668.162(d)(2).

j. The USDE notifies the ACEN the agency that the Secretary has initiated an emergency action against a governing organization, in accordance with section
487(c)(1)(G) of the HEA, or an action to limit, suspend, or terminate a governing organization participating in any title IV, HEA program, in accordance with section 487(c)(1)(F) of the HEA.

k. The ACEN acts to deny continuing accreditation to the governing organization/nursing program.

l. The governing organization notifies the ACEN that it intends to cease operations entirely or close a location that provides 100% of at least one ACEN-accredited nursing program, including if the location is being moved and is considered by the USDE to be a closed school.

m. A State licensing or authorizing agency notifies the ACEN that a governing organization’s license or legal authorization to provide an educational program has been or will be revoked.

2. Arrangements in any teach-out agreement and teach-out plan must be consistent with the ACEN Standards and Criteria, and requirements of this policy, ACEN Policy #14 Reporting Substantive Changes, and ACEN Policy #16 Closings.

3. The ACEN requires a governing organization/nursing program that enters into a teach-out agreement or teach-out plan, either on its own or at the request of the ACEN, to submit every agreement and teach-out plan for review. The ACEN may approve or disapprove a teach-out agreement or teach-out plan; see Sections D and E below.
   a. Every teach-out agreement or teach-out plan must include, at minimum, the following information and evidence:
      i. The names of other governing organizations that offer similar nursing programs and could potentially enter into a teach-out agreement with the governing organization.
      ii. Assurance of the equitable treatment of nursing students.
      iii. A reasonable opportunity for nursing students to complete their nursing program of study.
      iv. A complete list of currently enrolled nursing students and the program requirements each nursing student has completed.
      v. A plan to provide all potentially eligible nursing students with information about how to obtain a closed school discharge and, if applicable, information on state refund policies.
      vi. A record retention plan to be provided to all enrolled nursing students that delineates the final disposition of teach-out records (e.g., student transcripts, billing, financial aid records).
      vii. A clear statement to nursing students of the tuition and fees of the educational program and the number and types of credits that will be accepted by the teach-out governing organization.
      viii. Information on the number and types of credits the teach-out governing organization is willing to accept prior to the nursing student’s enrollment.
   b. If the ACEN approves a teach-out agreement or teach-out plan that includes a governing organization or nursing program that is accredited by another USDE-recognized accrediting agency, the ACEN must notify that accrediting agency of its approval.
c. The ACEN requires copies of all notifications to constituents from the governing organization/nursing program related to the information in this section 3, a, i-viii. The ACEN may require corrections to such information.

4. The ACEN may approve a teach-out agreement only if the agreement:
   a. Is between governing organizations that are accredited by a USDE recognized institutional accrediting agency.
   b. Is consistent with the applicable ACEN Standards and Criteria, ACEN policies, and USDE regulations.
   c. Provides for the equitable treatment of nursing students being served by ensuring that the teach-out governing organization has the necessary experience, resources (human, financial, physical), and support services to:
      i. Provide an educational program that is of acceptable quality and reasonably similar in content, structure, delivery modality, and scheduling to that provided by the governing organization/nursing program subject to the teach-out agreement either entirely or at one of its locations.
         While an option via an alternate delivery modality may be made available to nursing students, such an option is insufficient unless an option via the same delivery modality as the original educational program is also provided.
      ii. Demonstrate it has a record of stability and the capacity to carry out its mission and meet all obligations to nursing students.
      iii. Provide nursing students access to the program and services without requiring them to move or travel for substantial distances or durations.
      iv. Provide nursing students with information about additional charges, if any.

5. The ACEN shall not permit a governing organization/nursing program to serve as a teach-out governing organization/nursing program under the following conditions:
   a. The USDE notifies the ACEN that it has placed the teach-out governing organization on the reimbursement payment method under 34 CFR 668.162(c) or the heightened cash monitoring payment method requiring the USDE’s review of the governing organization’s supporting documentation under 34 CFR 668.162(d)(2).
   b. The USDE notifies the ACEN that it has initiated an emergency action against the teach-out governing organization, in accordance with section 487(c)(1)(G) of the HEA, or an action to limit, suspend, or terminate a governing organization participating in any Title IV, HEA program, in accordance with section 487(c)(1)(F) of the HEA.
   c. The USDE notifies the ACEN that the teach-out governing organization is participating in Title IV, HEA programs under a provisional program participation agreement and the USDE has required a teach-out plan as a condition of participation.
   d. For a non-profit or proprietary governing organization, the USDE notifies the ACEN of a determination by the teach-out governing organization’s independent
auditor expressing doubt with the teach-out governing organization’s ability to operate as a going concern or indicating an adverse opinion or a finding of material weakness related to financial stability.

e. For a proprietary governing organization, the USDE notifies the ACEN that the teach-out governing organization has a composite score of less than 1.0 as calculated under 34 CFR 668.172.

f. A State licensing or authorizing agency notifies the ACEN that the teach-out governing organization’s license or legal authorization to provide a nursing program has been or will be revoked.

g. A State licensing or authorizing agency notifies the ACEN that the teach-out governing organization’s/nursing program’s approval to provide a nursing program has been or will be revoked.

h. A law enforcement agency notifies the ACEN that the teach-out governing organization is under investigation, action, or being prosecuted for an issue related to academic quality, misrepresentation, fraud, or other severe matters.

i. The teach-out governing organization/nursing program is on continuing accreditation for good cause with the ACEN.

j. The teach-out governing organization/nursing program is currently under review by the ACEN that may result in the Board of Commissioners denying continuing accreditation of the teach-out governing organization/nursing program (e.g., fall cycle site visit completed with spring Board of Commissioners decision).

k. The teach-out governing organization/nursing program is in the appeals process or in the binding arbitration process with the ACEN.

l. The teach-out governing organization/nursing program notifies the ACEN that it intends to cease operations entirely.

m. The teach-out governing organization/nursing program notifies the ACEN that it intends to close the location that will be used as the teach-out location.

Policy #36 History
Developed and Approved July 2020
Revised ____ 2022