

If the Time Comes: Closing a College Wisely

An Inside Higher Ed webcast
Monday, March 27, 2023
2 p.m. Eastern

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Agenda

- Timeline and Communication
- Leaving No Student Behind
- The Board Chair's Role
- Legal and Regulatory Considerations
- Discussion and Responding to Your Questions

Timeline & Communication for Closure

- **Timeline Considerations**

- Financial: Closure Costs
- Accreditation: Required Provisional & Communications Plans
- Academic: Student Completion vs Panicked Exit
- Employee: Severance & Job Search Support vs Immediate Loss
- Communications Preparation: Need everything ready for announcement

- **Communications Planning**

- Designated “*Communications Specialist*”
- Announcement Process
- Full Website Preparation for all constituents
- Ongoing questions management

“No Student Left Behind”

Academic

- Teach-Out and Transfer Agreements: Role of Faculty/Staff
- Course credits and program requirements
- Options for choice
- Student data and support services: academic and career counseling
- Transcript and records

Fiscal

- Financial aid, grants, refund policy
- Tuition parity

The Board Chair's Role: Before Closure

- Board members should be educated and comfortable with choices through clear, open discussions with president and senior staff.
- Board chair should accompany president to meetings with accreditation board and relevant state officials to understand rules and requirements for closure.

The Board Chair's Role: Once the Choice Is Made

- Board needs to be fully supportive of president.
- Board should establish clear protocol for communication with college/university community regarding closure and providing transparency of process.
 - Acknowledge the fracture to the university ecosystem caused by the closure
 - Communicate phases of closure and likely duration of process, i.e., beyond the closing date.
- Encourage president to appoint a “chief transition officer” available to students, faculty, and staff.

The Board Chair's Role: After Closure

- To work with president's appointed transition officer, board chair selects 2-3 board members who will have fiduciary/legal responsibility for overseeing closing process and signing off for the next 2-4 years. Team will manage:
 - Settling of current vendor contracts
 - Student and faculty records migration and storage
 - Department of Labor audit
 - ED list of students who need tuition repaid
 - Retirement plans relocated to a new fiduciary
 - Sale and transfer of unpaid tuition and other receivables to another institution so students are able to pay off debt and avoid negative credit impacts in the future
 - Liability insurance for transition team
 - Legal services until end

President, senior staff, and administration will leave for new jobs, so transition officer will likely be on their own to handle unanticipated complications and issues arising from the closure beyond what is mentioned above.

Legal and Regulatory Considerations - I

One Point to Remember

Never, under **any** circumstances, close in mid-semester.

Legal and Regulatory Considerations - II

- Arrange teach-out agreements
- Board votes to cease operations as IHE
- WARN act notifications delivered as appropriate
- Assess employee benefit obligations
- Review contracts for termination provisions/payment obligations
- Operations cease, except for skeletal crew necessary to wind up institution's affairs

Legal and Regulatory Considerations - III

- Assets marshalled and sold
- Payments made to creditors
 - Secured creditors paid from sale of collateral
 - General creditors paid from sales of non-collateral asset sales
- Remaining assets (including endowment funds)
 - Managed to further 501(c)(3) goals or
 - Transferred to another 501(c)(3) entity
- Transfer student records per state law obligations
- Corporation dissolved per state nonprofit corporation act or repurposed for new educational/charitable purpose

Timeline

Action	CD-6	CD-5	CD-4	CD-3	CD-2	CD-1	Closing Decision	CD+1	CD+2	CD+3	CD+4	CD+5	CD+6
Prepare WARN Act notices													
Identify critical employees for CD+60-120 days													
Meet with USDOE													
Meet with SACSCOC													
Meet with AG													
Meet with state regulator													
Meet with creditors													
Arrange out-of-state teach-out agreements													
Arrange in-state teach-out agreements													
Schedule post-Board meeting events													
Hold early morning Board meeting													
Conduct press conference re closure and wind down													
Hold campus town hall meeting													
Hold student town hall meetings													
Hold employee town hall meetings													
Meet with key legislators and local officials													
Conduct individual employee meetings													
Conduct individual student meetings													
Send WARN Act notices													

Closing Process Gantt Chart

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Assumes closing at CD+60 days

Additional Resources

[U.S. Department of Education requirements for accrediting agencies](#)

[Creating Student-Centric Closure Plans](#)

[The Pivot Point: When Is It Time to Close?](#)

[How to Teach Out a University with Dignity](#)

[A Dream Derailed: Investigating the Impact of College Closures on Student Outcomes](#)

[Anticipating and Managing Precipitous College Closures](#)

[How to Responsibly Close a College](#)

[Love Students: An Ethical Framework](#)

[Observations on the Closing of Mount Ida \(from Mass. Attorney General\)](#)

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