

Private Postsecondary Education (PPE) School Closure Process

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STATE COUNCIL OF HIGHER
EDUCATION FOR VIRGINIA

Presentation Overview

1. National Statistics
2. Types of Closures
3. Closures in Virginia
4. PPE Duties
5. Challenges of Abrupt Closures
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School Closures Nationally



Between 2004 and 2020, almost **12,000 campuses** of institutions of higher education shut their doors to students (IPED, 2020) affecting around **500,000 students**, mostly working adults, low-income students, and students of color.



Source: Chronicle of Higher Education

Types of Closures

Abrupt

Meaning students have little warning of the closure and no teach-out arrangements for continuing their postsecondary education.

Examples in Virginia include Stratford University (2022), Argosy (2019), and ITT Tech (2016).

Orderly

Provide at least three months' notice before closure, include a teach-out plan and a plan for retaining transcripts and other student records.

Regulatory Definition

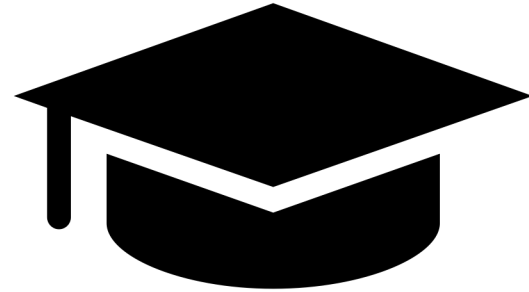
**“Teach-out agreement” is defined in Virginia Regulation
“as the process whereby a closed or closing school
undertakes to fulfill its educational and contractual
obligations to currently enrolled students.”**

Categories of Postsecondary Schools in Virginia

Non-Degree/Vocational
Offering certificates or diplomas

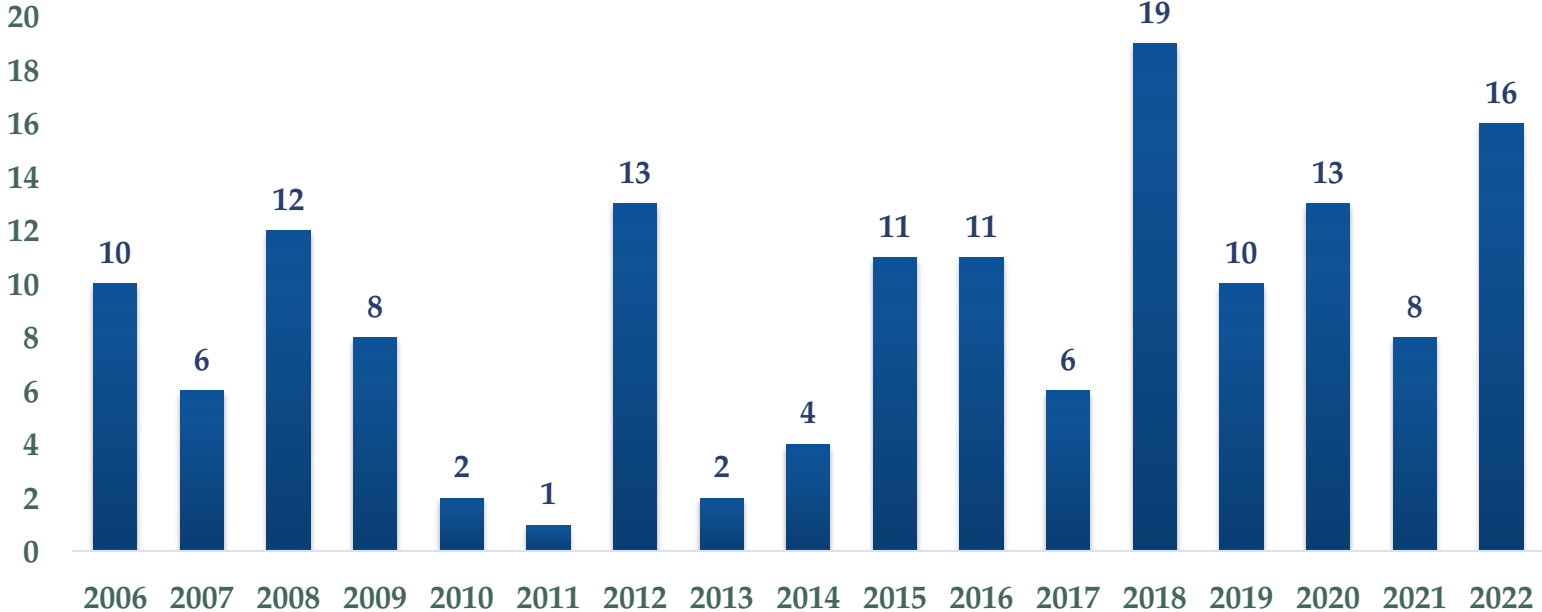
Degree-Granting
Offering associate degrees or above

Exempt/No Longer Required to Certify
Examples: Hampton University, University of Richmond, and the now defunct Stratford University



School Closures in Virginia

Total number of closures by year



Reasons for School Closures

- **Low enrollment**
- **Financial stress**
- **Compliance concerns**
- **Loss of authority to disburse Title IV funds**
- **Loss of accreditation**
- **Revocation by SCHEV**
- **Proprietor retired/deceased**

What is SCHEV's role when a school closes?

Legal Requirements

According to the Code of Virginia, Council shall:

- **Approve teach out plans prior to implementation**
- **Ensure the preservation of academic records for all students**
- **Process refunds to students if applicable**

Reduce Adverse Impact on Students

- **Confirm status of currently enrolled students and teach-out options**
- **Ask closing school to teach out advanced-stage students**
- **Facilitate transfer of students' records to Library of Virginia**
- **Provide free copies of transcripts**
- **Host transfer fairs**
- **Grant residency requirement waiver**

Handle Closure Notifications

- **Communicate with interested parties if closure affects a large number of students.**
 - **Students and parents**
 - **Governor and Secretary of Education**
 - **Licensure or accrediting agencies**
 - **Media**
- **Use [PPE website](#) to provide ongoing developments**
- **Secure and prepare transfer of records to Library of Virginia**

Process Student Refunds

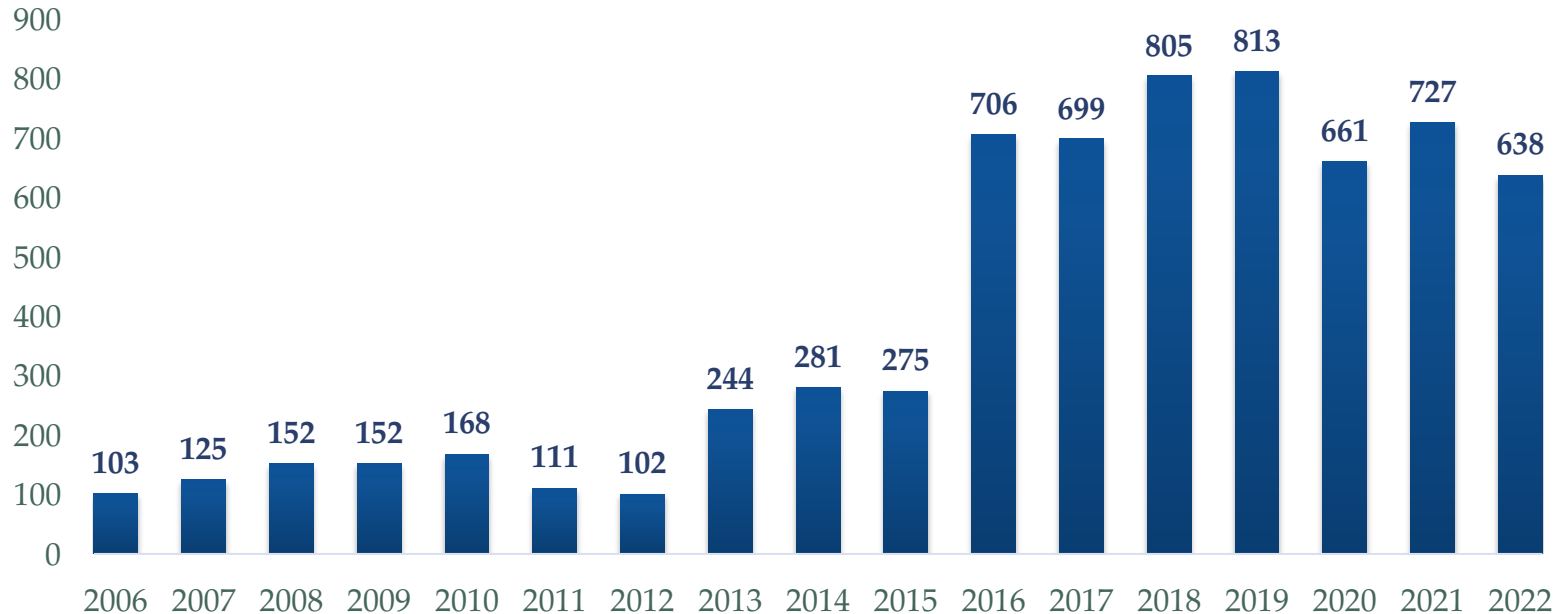
- If the school has a **Surety Instrument**
 - Staff cashes surety instruments
 - Schools are required to have sureties for the first five years of certification
- **Student Tuition Guaranty Fund (STGF)**
 - In cases where the school does not have a surety instrument
 - The purpose of the funds is to reimburse tuition due to students when a certified school ceases to operate. This is a limited amount of money. Balance is \$203,778.20 (as of 12/31/2022).
- By law, funds from these sources can only be used to provide students with refunds of **unearned tuition.**

Access Students' Records

- PPE processes transcript requests for all records stored at the Library of Virginia.
 - Transcript request fee = \$10
- Requests generally come from:
 - Students (Continuing education or applying for licensure)
 - Third-party verification companies (Employment)

Processed Transcript Requests

Total number of transcripts by year



What can go wrong with an abrupt closure?

Abrupt Closures are Chaotic

- **PPE, accrediting agencies, and licensing boards scramble to find suitable options for students in a limited amount of time.**
- **Some students, especially those enrolled in programs leading to licensure, can be left with no viable options to move forward.**
- **They are time-consuming and costly for PPE.**

Example 1 - Argosy University

In 2019, Argosy (out of state institution) students in Northern Virginia found their campus closed unexpectedly in the middle of the semester.

- Nearly 500 students were enrolled at Argosy's Northern Virginia campus at the time of closure.
- Though PPE offered all affected students a free copy of their transcript, many students had incomplete records and no means to correct erroneous records.
- SCHEV does not receive copies of diplomas or records of student internship/practicum hours.

Example 1 - Argosy University

Argosy's closure was particularly problematic for students pursuing graduate degrees in Counseling and Psychology.

- While PPE helped identify student transfer possibilities, there were no options for a large group of students requiring professional licensure at the conclusion of their programs.
- The closure impacted not just degree attainment, but professional licensure.

Example 2– Stratford University

In 2022, Stratford University gave 900 students (many of them in nursing programs) less than 3 weeks notice that it was closing its Virginia campuses.

- **Though under §23.1-219(D) of the Code of Virginia Stratford was exempt from SCHEV oversight, PPE stepped in to help students.**

Example 2– Stratford University

PPE worked with administrators to identify 8 Virginia institutions that were able to accept transfer students from Stratford.

- **Several institutions held Q&A sessions for potential transfers, offered grants, or waived application fees.**
- **However, for varying reasons, some of these schools indicated they are limited in the nursing credits they can accept in transfer.**

Problems with Nursing Transfers

- Virginia Board of Nursing requires nursing schools to maintain a **National Council Licensure Examination (NCLEX) pass rate of 80%** for first-time test takers.
- A school's NCLEX pass rate may be adversely affected by transfer students who might not have the quality of academic training provided by the receiving school.
- Institutions must maintain the integrity of their academic programs
- There are limited options for advanced-stage students.

Challenges of All Closures

- **Loss of Time**
- **Financial Loss**
- **Loss of a Dream**

Summary

- National trends
- Increased number of closures & transcript requests
- Reasons for school closures
- SCHEV's responsibility to certified institutions
- Challenges of managing abrupt closures

Looking Forward

Continuous Improvement

- Strengthen financial monitoring standards
- Improve initial approval process

Recommendation

- Clarify language in the Code of Virginia related to surety guaranty instruments to better protect students who fall victim to school closure.

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