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# Anticipating and Managing Precipitous College Closures

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The WASC Senior College and University Commission (WSCUC) is a regional accrediting agency serving a diverse membership of public and private higher education institutions. Through its work of peer review, based on standards agreed to by the membership, WSCUC encourages continuous institutional improvement and assures that accredited institutions are fulfilling their missions in service to their students and the public good.

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## Background on College Closures

Between the 2008–09 and 2016–17 school years, over 300 degree-granting higher education institutions in the United States have closed their doors,<sup>1</sup> sometimes leaving students without options and with taxpayers holding the bag. An overwhelming majority of these recently closed institutions are for-profit colleges, which often serve a population of disproportionately low-income students receiving Pell Grants and federal loans.<sup>2</sup> Over the last five years, an average of 20 campuses have closed each month, leaving around 500,000 students (mostly working adults, low-income students, and students of color) affected, according to an analysis by the *Chronicle of Higher Education*.<sup>3</sup> Recently, closures of for-profits have hit these communities particularly hard given disproportionate enrollment of marginalized populations in those schools, sparking national debate about increased accountability for these institutions.<sup>4</sup>

The data on the overall state of closures in the higher education system, however, obfuscate the different ways in which those institutions close, and why they close in those ways. Some have engaged in orderly closures, in which an institution winds down its programs over time to continue serving current students without welcoming more students onto a sinking ship. Others, unfortunately, have experienced precipitous closures, where institutions shut their doors virtually without warning, leaving students left wondering what to do. These precipitous closures harm the students and staff, who know little of the risk of closure until the doors are locked behind them, and erode trust in the higher education system.

These crash-landings do not need to be so difficult. Regulators have often failed to recognize the warning signs or take action early enough to cushion the blow of a closure with protections for students and taxpayers. States, accreditors, and the federal government must all be doing more to understand, anticipate, and prevent precipitous college closures, and to protect students and taxpayers in the event of such closures.<sup>5</sup>

We have explored a dozen precipitous college closures (both private nonprofit and for-profit), assessing the warning signs that were missed and the actions that were not taken to protect students. We reviewed some of the biggest collapses—such as ITT Tech, Education Corporation of America, and Dream Center Education Holdings, each with thousands of students impacted—and some smaller examples, like Marylhurst University, Mount Ida College, and Charlotte School of Law. We explored each closure across a range of metrics, including student outcomes; enrollment trends; governance concerns; speed and severity of regulator actions; institution response; and aftermath for students. We saw many nonprofit institutions with steep enrollment declines, and some with low—and falling—retention rates; many for-profit institutions with poor outcomes and

operating under the spectre of multiple investigations and actions; and, unsurprisingly, many institutions struggling to maintain their financial circumstances in light of significant debt.

Additionally, as authors, we represent a wide range of higher education stakeholders—state authorizers, institutions of higher education, accrediting agencies, and consumer-protection advocates. We have worked at the U.S. Department of Education, within state higher education agencies, on accrediting commissions, in researching higher education policy, and more. We bring that expertise to this paper, and seek to provide recommendations for both policy and practice. We spoke with stakeholders across regulatory bodies and those they regulate—officials involved on both sides of college closures, and those with expertise on the issues at hand—in an effort to glean the lessons that should be learned from those experiences. We have also studied other research on college closures, such as recent reports from the Illinois Board of Higher Education, the National Student Legal Defense Network, and The Century Foundation.

Our recommendations are designed to address some of the most significant problem areas we have seen in the research: anticipating institutions at high risk of closure by identifying warning signs and risk factors earlier; increasing the take-up of students transferring to high-quality programs by improving the quality and timing of plans and agreements for helping students complete their educations or giving them viable options to do so (“teach-outs”); ensuring the careful management of student transcripts and other records; increasing transparency in and efficacy of communications to students, both before and after closure; increasing the take-up of closed school discharges among eligible borrowers; and ensuring that taxpayers are adequately protected in the event of closure, including when the college has other financial liabilities.

Additionally, we have identified some of the most significant gaps in the research and available data, listing out recommended areas for future work, including by the Education Department.

# Policy and Practice Recommendations for Preventing Precipitous College Closures

## Identifying Warning Signs, Precipitating Events, and Risk Factors

In reviewing the cases of college closures and speaking with experts who were on the ground at the time and who have studied them afterwards, it is increasingly clear that the causes of the closures themselves were, in fact, not precipitous at all. Regulators could have seen them coming and taken action to protect students and taxpayers. These recommendations seek to systematize and enhance the warning signs of possible closure sooner, so that regulators can pursue deeper reviews and, where necessary, take action sooner.

- **Financial and Enrollment Monitoring.** Current financial responsibility tests are often lagging by several years, fail to reflect all financial circumstances, and have been subject to gaming by institutions in the past. The GAO has found that the Education Department's financial composite score has predicted only half of closures since academic year 2010-11.<sup>6</sup> We need better and more timely indications of financial changes. That includes indicators of enrollment declines like the ones that appeared in many examples of closures, particularly given that the Higher Education Act requires accreditor consideration of enrollment *increases* for online schools<sup>7</sup> but is silent on the enrollment declines or other changes that often put a school on shaky financial footing and lead to closure. Some practitioners noted that, prior to closure, eliminating sections, programs, or courses that an institution had included in its catalogue and originally planned to offer might be indicative of financial distress. The enrollment patterns of both the institution and its parent corporation, if applicable, should be examined.

- **Institutional Quality.** Regulators have paid inadequate attention to institutional quality issues. Poor student outcomes are often present in the cases of college closures we examined. Charlotte School of Law and Mount Ida, for instance, both had concerning outcomes. In the case of Charlotte School of Law, the accreditor repeatedly warned the school but did not take action and thus did not require notice to students.<sup>8</sup> In the case of Mount Ida, the problems with declining retention rates were issued in a report months before closure, but seemingly ignored before then.<sup>9</sup> Additionally, while accreditors sometimes cite institutions for failing to meet standards on student achievement, it is not clear that institutions are responsive to probation actions, so the Education Department and states must also increase their attention on outcomes.

- **Governance Concerns.** In the case of several now-closed for-profit institutions, the corporate structure of the college raised serious questions about the independence of the institution’s board. When the interests of the corporation conflict with those of the institution, the institution’s continued viability may be at risk. Accrediting agencies and other regulators should watch closely to identify possible signs of this lack of independence.
- **Lawsuits and Major Compliance Concerns.** It appears that regulators are often not paying adequate attention to major lawsuits and investigations, which suggests that more and better reporting about such actions could create greater awareness and spur additional oversight. Additionally, while there are not many publicly traded colleges left, SEC actions and stock delisting were common risk factors with both ITT Tech and Corinthian Colleges. Audit concerns (e.g., when an independent auditor has issued a going concern letter) should also be taken seriously for all private institutions.
- **Information Sharing.** It is unclear how much information is shared across regulatory entities. Accreditors copy other regulators on their letters, but do not always appear to be responsive to actions from the Department and states, and vice versa. That means it is often unclear when regulators just didn’t know about actions against an institution, are ignoring them, or are acting in invisible ways. When particular risk factors occur, institutions should be required to report the event to all regulators, consistently and in a timely manner.
- **Study.** Too little is known about which risk factors indicate future liabilities, future closure, or other problematic outcomes. Congress should require independent studies from the Department, GAO, and/or Congressional Research Service to assess warning signs, responses, and outcomes of institutions, and try to triangulate the most accurate list of warning signs.

### **Improving the Quality and Timing of Teach-Out Plans and Agreements**

Often, accreditors require teach-out agreements when it is too late: the college is already in the process of collapsing, funds are no longer available to support an agreement, and quality is a serious concern. Some argue that requiring teach-out agreements sooner could put failing institutions into a “death spiral” from the reputational harm. But it is also true that teach-out agreements do not *have* to cause further harm; if requiring agreements early and often becomes the norm, it will not be a self-fulfilling prophecy. Ensuring teach-out plans and agreements

are established earlier, and that they are well designed, will offer students the best opportunity to complete their credentials through high-quality educational opportunities.

- **Better-Timed Actions.** Several of the closures we examined involved actions from accreditors or the Education Department between school years, leading to mid-year closures. For instance, ITT Tech closed on September 6, just *after* the start of the fall term,<sup>10</sup> and federal aid to Charlotte School of Law was cut off in December 2016, between semesters, rather than prior to the start of the school year.<sup>11</sup> Agencies should demonstrate they have the ability to take action quickly, and should be encouraged to do so with sensitivity to the academic-year calendar, so that negative actions happen *before* the start of a term or school year wherever possible, and so that teach-outs can be requested at a board meeting *prior* to the beginning of the year.
- **Teach-Out Agreements, Not Just Plans.** Often, accreditors request a teach-out plan, which doesn't obligate any other institution to follow through on the plan in the event of closure and which often lacks the detail needed to be placed into effect. For instance, Mount Ida College had teach-out plans in place, but the plans did not cover all programs, leaving many students without a clear way to complete their education after closure. Those plans are virtually impossible to establish during or after closure, given that staff capacity is limited and the incentive to comply with state and accreditor requirements has dwindled near the end of the closure process. Had Mount Ida been unable to establish teach-out agreements with certain programs, regulators (and the institution) could have at least ceased new enrollment in those programs.

Accreditors and other regulators should request teach-out agreements, not just plans, from institutions with existential threats to their viability. And those agreements should be in place by the time an institution announces the closure to students, so that their options are ready to go. Establishing those agreements earlier will also give accreditors and other regulators greater ability to ensure quality, could help to prevent other high-risk or poor-quality institutions from engaging in aggressive recruitment of students from the now-closed institution through tuition discounts and other practices, and will ensure greater transparency for students into the anticipated costs and transfer agreements of those teach-out arrangements.

- **Consider Costs.** Teach-out agreements can be expensive to establish, and for an institution in such dire financial straits that it is closing, that money may not be available. Colleges need to anticipate their risk of closure, and ensure adequate funding will be available if and when it's

needed. One way to do this is to require private colleges to take out insurance sufficient to cover their estimated costs of arranging teach-out agreements, ensuring that students will not face additional tuition costs. High-risk private colleges could be required to maintain adequate reserves to finance a teach-out, or to otherwise demonstrate access to the funds that may become necessary.

- **Follow-Through.** One concern we heard from state experts was that they had little sense of whether the teach-out agreement was being followed and whether affected students had been well served, post-closure. Some organizations have reported seeing students move from the closure of one school to a teach-out at another school, which *also* closed before they were able to complete a degree.<sup>12</sup> Those state officials recommended creating a mechanism to audit teach-outs following a school closure.

### **Ensuring Student Records Are Accessible and Carefully Managed**

Students who plan to continue their education after leaving a school may face a baseline logistical hurdle on top of the broader challenges around closures: paperwork. Student records can become a significant problem in the event of a collapse. At several massive colleges that closed precipitously, the transfer, storage, and maintenance of student records created one of the more significant challenges for states. This does seem to have improved with more recent closures; both Education Corporation of America and Dream Center purchased contracts for transcript management after closure. But it requires thought to ensure that students can easily access transcripts, without additional costs, even long after a closure; that student records are accurately preserved and maintained; and that a clear chain of custody exists.

- **Require Records Management Plans.** Alongside academic teach-out planning, triggered by the same requirements that compel institutions to submit plans to their accreditors for approval, colleges should be required to establish records management plans. The plans could involve outlining the chain of custody; assigning another institution to manage the records in the event of closure; and/or digitizing all records and ensuring students will be able to access theirs. The plans could even include a requirement that the college pay into a records management system (like Parchment) for three or five years into the future, to ensure records are handled in the event of imminent closure. Backup copies of student records should be automatically required in the event of a change of ownership or certain other indicators of risk, as recommended by both the Illinois Board of Higher Education and by the National Student Legal Defense Network in their respective writing on college closures.<sup>13</sup> All student records should be

available free of charge following a closure. States have an important role to play with student transcripts, and should be included in the custodial arrangements for these records.

- **Require Institutions to Release Holds.** In the event of closure, some institutions failed to remove holds placed on student transcripts for tuition owed or other purposes. State officials in Illinois, for instance, were able to provide students with photocopies of transcripts, but could not edit transcripts in any way to release those holds.<sup>14</sup> Institutions should be required to release any transcript holds in the event of closure, once they become unable to confer degrees or credentials.
- **Encourage State Policy Change.** In some cases, states have struggled to assert authority over student records upon closure. In response to just such a situation at ITT Tech, Illinois passed a law giving the state authority to seize students' academic records in the event of closure.<sup>15</sup> Other states should evaluate their own laws and authority, and may need to follow suit.
- **Share Direct Student Information.** For some closures, states and the federal government have required institutions at risk of closure to submit students' contact information, so that students can be contacted directly. This should be a requirement, based on consistent standards and risk triggers for closure.

### Providing Greater Transparency in Communications to Students

When colleges close, students and staff are often the last to know. In one case, for example, students have learned of the closure only because they turned up for class and found a locked gate.<sup>16</sup> In another instance, a college lost authorization to operate, but refused to clarify for several days that it had, indeed, ceased operations.<sup>17</sup> Colleges have an obligation to be more transparent with their students so that they can make informed decisions, both before and after a closure. That obligation will soon be a legal one, as well; new regulations require institutions to notify their students when their accrediting agencies require them to design a teach-out plan.<sup>18</sup> But it should extend further, to include awareness of precipitating events for those teach-out plans and notification of plans to close. And these transparent communications must also be timely, accurate, and effective in helping students make informed decisions about their continued enrollment and their options after closure.

- **Advance Warning.** When a decision for closure is made or when the school exhibits certain risk factors that trigger action by regulators, students—as well as regulators—should be notified immediately with as much information as possible by the school. Further research could help

to determine the most effective ways to reach students and communicate urgent information. Along with the other improvements to teach-outs we recommend, we suggest that communications about closure be accompanied by clear and consistent information about teach-outs and about borrowers' eligibility to receive a discharge on their federal student loans when a school closes before they are able to graduate. Students should also be notified of other high-risk changes to the school's structure, such as mergers, changes in ownership, and changes in control. And colleges should be required to provide disclosures to students by their accreditors when agency actions are taken. While communications from some agencies (such as the Higher Learning Commission) are clear about disclosure requirements for probation and orders to show cause, other decision letters to institutions (e.g., from the Accrediting Council for Independent Colleges and Schools) are less clear about the obligations for transparency to students.<sup>19</sup> While some have pointed to a culture that suggests officials from other institutions that will serve as teach-out locations should remain quiet about their options, those institutions and the closing school's regulators should be encouraged to freely communicate with students to rebalance the information asymmetry that otherwise exists.

- **Ensure Schools Selected for Teach-Outs Are of Adequate Quality.** In some cases, students have been directed from one closing school to another with similar or worse compliance issues. For instance, after the closure of Education Corporation of America schools, ECA included on its website a list of other schools, some of which were known to be under investigation by states, faced significant lawsuits or settlements, or had poor quality.<sup>20</sup> Going from one precipitously closing school to another school that could be easily shut down only exacerbates the pain to students. Accreditors and states should carefully review the institutions that will enable students at a closed school to complete their education, and restrict them accordingly.
- **Provide Communications Through Trusted Sources.** In past instances of closure, many of the communications have come through the closing school. But given that emotions run high during precipitous closures, the school itself is not always trusted in the eyes of students. Moreover, colleges have not always been clear, open, and transparent in those communications. In many cases, it is preferable for the state or the Department of Education to serve as the source of information, and/or to ensure the accreditor has approved all communications from the school. States can (and often do) house information on approved teach-out options; the Department of Education should directly provide information about federal student loan discharges. Regulators should also ensure that

communications are accurate, timely, and designed to maximize effective and efficient decision-making by students.

### **Increasing Take-Up of Closed School Loan Discharge**

Data from the U.S. Department of Education show that nearly half of eligible students (those with a loan, and whose colleges closed within a few months of their leaving school before they were able to complete their degree) neither re-enrolled in a Title IV-eligible program nor applied for a closed school loan discharge.<sup>21</sup> This demonstrates an information problem that leaves students at a severe disadvantage. Improvements to the post-closure process could help more college students access the benefits to which they are entitled under the Higher Education Act and start fresh when they do not receive the education they were promised.

- **Provide Better Information.** In many communications from colleges (such as from Mount Ida), very little information is provided about closed school loan discharges beyond that students should call their servicer.<sup>22</sup> In other cases, the college may push students toward a teach-out option rather than providing them with balanced information about teach-outs and discharges.<sup>23</sup> Few students have the benefit of personalized advising about when a closed school discharge might be the better option. Colleges should be obligated to provide students with consumer-tested and Department-approved communications about closed school discharges alongside teach-out information. And the Department itself should provide information directly to borrowers, as the lender.
- **Provide Borrowers with More Options.** When a school closes without advance notice, students either have to find an alternative very quickly or are subject to begin repayment on their loans. Students should receive better information and counseling from the Department about forbearance options for those who intend to return to school and therefore don't want a discharge, but who cannot arrange to re-enroll within only a few months.
- **Expand Closed School Loan Discharge Eligibility.** Some schools appeared to make decisions about their closure specifically designed to minimize liabilities due to closed school discharges.<sup>24</sup> As a result, students who might otherwise have been eligible for a discharge (for example, those who withdrew following the loss of Title IV, but prior to closure, as in the case of Charlotte School of Law) become ineligible.<sup>25</sup> The Department should automatically extend the window for closed school discharge back to the date on which the institution loses Title IV, if applicable, to counter that incentive, and retain its authority to do so in

other special circumstances.<sup>26</sup> For instance, with Corinthian Colleges, the Department extended the window of eligibility so it would include students who withdrew after the Department's agreement with the school that it would cease operations.<sup>27</sup> Additionally, the Department should study the outcomes of students in teach-outs versus students who receive a discharge in order to make recommendations to Congress about whether to expand closed school loan discharge eligibility to all students, regardless of whether they transfer all of their credits.

### **Ensuring Taxpayers Are Protected by Anticipating and Insulating Against Risk**

The taxpayer liabilities due to closure can be significant. Among the institutions with the largest amounts of closed school discharges paid out to students—62 institutions that closed between 1987 and 2016 with over \$1 million in closed school discharge liabilities—just six had letters of credit on file, and only one had a letter of credit large enough to cover the entirety of its closed school liabilities. Of 96 institutional closures in 2016 alone (through October), the Department had letters of credit on file from just 26 of them.<sup>28</sup> The Department needs to better anticipate and protect taxpayers against liabilities, while respecting the interests of students.

- **Reevaluate Financial Protection.** The Department readily cites institutions for failing to meet a financial responsibility composite score test. But it does not always appropriately flag institutions at significant risk of failure. For instance, in the case of Mount Ida, Heightened Cash Monitoring was not applied at the time of closure, despite the severity of the school's financial struggles.<sup>29</sup> The Department should reevaluate the composite score metric and develop a better way to predict closure; account for risky events not captured in annual audits; and automate the use of monitoring and sanctions to better protect taxpayer dollars.
- **Study Uses of Letters of Credit.** The Department has rarely produced information on the costs of taxpayer liabilities and the availability of consumer protection after closure. This leaves researchers largely in the dark about when and whether letters of credit are sufficient. The Department should produce regular, timely data on closed school discharges awarded and funds recouped. The study should help to answer the question of whether the 10 percent letter of credit most commonly used today is sufficient to cover the costs of discharges, and in which cases it falls short (e.g., when a teach-out was approved before closure versus not, which might indicate that the letter of credit amount could be lower at schools with approved teach-outs, creating an incentive for schools to obtain them).

- **Increase Monitoring for High-Risk Schools.** With ITT’s letters of credit, the Department also required new reporting on key actions and events to better monitor the school, which could be extended to all schools subject to a sizable letter of credit.<sup>30</sup> Those events included: any adverse action by an accreditor, state authorizer, or federal agency; any event that caused the institution to realize a liability noted as a contingent liability on the most recent audited financials; any violation of a loan agreement; any failure to make a payment on debt obligations that resulted in a creditor filing suit; any withdrawal of owner equity/net assets, including by declaring a dividend; any extraordinary losses pursuant to APB Opinion No. 30; and any filing by the institution of a petition for relief in bankruptcy court. The Department also often requires 13-week cost projections from schools with severe financial issues, which could be automatically required in response to certain triggering events. These kinds of monitoring for high-risk schools could give the Department a greater appreciation of the nature of that risk.
- **Prevent Schools in Receivership from Accessing Federal Student Aid.** Congress should incorporate receivership into the bankruptcy protections in the Higher Education Act. In two major recent closures, federal receivership has been used as a work-around to a long-standing HEA requirement preventing schools from accessing Title IV financial aid after bankruptcy, an untenable loophole.<sup>31</sup> Moreover, in both such cases, the use of receivership only prolonged the schools’ eventual collapse, without improving the outcomes for students upon closure.
- **Require Reevaluations.** The Department often stumbles from crisis to crisis, picking up lessons along the way but not always in a systematic fashion. A reflective report to Congress about recent closures—and/or a mandatory post-mortem after a closure that exceeds a certain threshold in taxpayer liabilities—could force the Department to study its actions, identify warning signs that were present, review regulators’ processes, and improve before the next closure.
- **Improve Monitoring on Distance Education.** One important stakeholder is the National Council of State Authorization of Reciprocity Agreements (NC-SARA) which, if restructured, could serve as a valuable coordinating organization. For instance, NC-SARA is allowing National American University to participate provisionally in its reciprocity agreement, even though the institution misses the organization’s cutoff for its financial responsibility composite score.<sup>32</sup> But it is not clear the degree to which that provisional participation is transparent to students or states, or the extent to which any additional monitoring is being required.

- **Consider Evaluating Risk Based on Institutional Size.** The size of the institution, throughout our case studies, seems closely related to the catastrophic nature of the collapse. One option may be to classify risky institutions by the size of the school, and thus the potential size of the liability taxpayers will face. Larger institutions with more taxpayer dollars involved might be subject to an increased level of monitoring, larger letters of credit, and more severe actions (such as enrollment limitations, limitations on growth, or limitations on new campuses, locations, or program offerings) upon engaging in risky behavior. However, more research is needed to determine how best to proceed.

## Areas for Future Research

Throughout our work, we found numerous areas for further research—data analyses that need to be conducted, literature that can be drawn upon, and areas for deeper investigation. To that end, we have compiled a non-exhaustive list of some of the most essential analyses we would like to see.

**Analysis of Closure Risk.** Regulators often struggle to accurately identify the institutions most at risk of closure. Deeper research could help to pinpoint which institutions bring the most risk to students and taxpayers, and inform regulators efforts.

- The federal government (and in particular, the Department of Education) could conduct a quantitative analysis of college closures to better understand the exact risk factors, incorporating internal indicators and knowledge of regulator actions.
- Deeper recommendations on financial responsibility and financial warning signs are needed to better indicate risk of collapse based on poor finances. Several organizations are already underway with this work; their efforts should be considered seriously to prevent a premature rewriting of the rules.<sup>33</sup>
- Further analysis is needed to understand the riskiness of a college by the size of that institution. Some very large colleges seem unable to keep up with their growth, particularly when enrollment trends change. Other, very small schools are unable to meet the enrollment targets needed to sustain their institutions. Research could help to determine at what size private colleges should be subject to increased oversight, financial protection requirements, and even enrollment limits.

**Analyses of Current Regulator Policies.** Our research has brought to light inconsistencies across states and accrediting agencies in how they approach college closures. A deeper scan could help to identify the range of policies in play, establish best practices, and make improvements where needed.

- A scan of accreditor policies related to disclosures to students about college closures could help to determine how accreditors determine that students must be notified of possible or impending college closures, and how those notifications are made.
- States have a range of policies in place for transcripts and student records, disclosures, tuition refunds, and oversight. Continued research into the ways in which states approach these policies differently can lead to the

development of best practices and an evidence base for states considering policy changes.

**Analyses of Students' Outcomes.** We saw in the event of many precipitous college closures that student outcomes were often dragging or declining beforehand. That is an important indicator that regulators should not ignore, particularly given the potential for double harm done by a school that offers students little value and then also closes suddenly.

- The Education Department should analyze internal data on closed school loan discharges and other liabilities at closed schools to determine whether and when the current financial protection is adequate to cover those actual and potential liabilities.
- Researchers should study the outcomes of students involved in closures to determine who transferred; who dropped out; how they were able to repay their loans; and more. This could be accomplished with Education Department data and/or National Student Clearinghouse information.

**Analysis of When a College Is Not Salvageable.** Regulators often disagree about whether to take action if that action could mean shutting down a college or university. There is no consensus about when a college has hit the tipping point and is likely to close, versus when it is likely salvageable.

- This challenge drives a lot of problems in terms of the failure to take action. ITT Tech, for instance, presented a major problem for students, regulators, and law enforcement agencies for years. And yet states did effectively nothing; attorneys general made demands but failed to take action to kick ITT out of their states; the institution's accreditor put the school on orders to show cause only years after the problems were widely known; and the Department finally took action only years later. Research into the trajectories of other closed and at-risk institutions could help us better understand when a school has reached its limits.

**Analysis of Disclosure Effectiveness.** Students face life-changing and financially significant decisions immediately after learning of a college closure. But those students are often left to fend for themselves, navigating complex financial aid and academic decisions and a mess of records and bureaucracy. Many of them may not even have been aware their institution was at risk of closure until the day its doors are locked.

- Better research on how to make disclosures personalized, effective, and salient for students could help to improve their decision-making along the way, from enrollment through closure and transfer to another institution.

**Analysis of the Geographic Profile of Closed Institutions.** Students are not necessarily equally affected by college closures. The geographic and economic profile of a region in which an institution closed may lead to varying degrees of impact. The barriers and hardships students face when they are forced to adjust to closure can be exacerbated by the infrastructure of their area.

- Analyzing how the geography of a region impacts procedures, such as the feasibility of transfer credits in the face of long commute distances, and student outcomes once an institution closes, may shed light on how to alleviate hardships. This could be done by documenting commuting zone regions and education deserts of closed or closing colleges to assess degrees of risk for students at these institutions.

## Notes

- 1 Institute of Education Sciences, National Center for Education Statistics (website), “Digest of Education Statistics,” Table 317.50, 2017, [https://nces.ed.gov/programs/digest/d17/tables/dt17\\_317.50.asp](https://nces.ed.gov/programs/digest/d17/tables/dt17_317.50.asp). Per this report, 336 institutions have closed.
- 2 Robert Kelchen, *How Much do For-Profit Colleges Rely on Federal Funds?* (Washington, DC: Brookings Institution, January 11, 2017), <https://www.brookings.edu/blog/brown-center-chalkboard/2017/01/11/how-much-do-for-profit-colleges-rely-on-federal-funds/>
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