



TEACH-OUT POLICY

I. POLICY STATEMENT

California Northstate University (CNU) holds student success as our paramount goal. CNU is committed to providing students with a complete program. If the University deems that the viability of any program, college or the University is impractical, CNU has planned for the unfortunate situation of having to cease that program or college's operations, if necessary.

II. PURPOSE

The purpose of this policy is to assure CNU students the opportunity to successfully complete the program in which they enrolled. The policy recognizes the student's time, effort, financial cost, and accomplishment during the period of enrollment, and that the student's commitment to the program was undertaken to achieve the degree / diploma recognizing such accomplishment at the time of completion. The continuing commitment to student success will remain paramount during this process.

III. SCOPE / COVERAGE

This policy applies to all programs and colleges of the University.

IV. PROCEDURE

A. Underlying Principles

The policy adheres to the following principles:

- All stakeholders are required to be notified of any changes to operate including: students, faculty, staff, administration, and cooperating organizations.
- Instruction and services will be provided at the same level throughout the completion of any CNU program and qualified students will be able to complete their admitted program.
- Once the Board of Trustees approves the decision to close the program, no additional students shall be enrolled in the program.
- The teach-out policy will not result in an increase in any costs to the students.
- Courses required for the teach-out policy will be provided on current campus of the program.
- CNU will do everything possible to retain continuous employment of the fulltime faculty and staff until the required work is completed pending closing.
- Arrangements will be made to ensure that graduates will have access to their transcripts and records subsequent to closing of the program.

The only viable option for CNU is to commit to teaching out its students in the eventuality of the need to cease operations and to ensure that the resources are available to complete its obligations to enrolled students. The key to this policy is to make certain that sufficient financial resources are escrowed during the years of growth should they be required for a teach-out.

B. Determining the Need to Cease Enrollment and Teach-Out

Numerous factors can affect the viability of a program. Sometimes the interaction of different factors creates concern, and these factors must be monitored on an ongoing basis so as not to be caught off guard without having sufficient time to counteract the effects of these factors. These can include but are not limited to: (a) lower than expected enrollments; (b) a softening of the job market; (c) difficulty in finding qualified faculty.

CNU regularly monitors the following items:

- a) Enrollment patterns at CNU and its competitor institutions in similar recruiting areas are charted annually to look for patterns.
- b) Statistics are collected on employment needs in the industry on an annual basis to see if there is a downward trend.
- c) The number of graduating students in the USA are graphed in relationship to employment needs on an annual basis to determine trends.
- d) Faculty salary surveys are conducted on a biannual basis to make certain CNU salaries are attractive to hire and retain competent faculty.
- e) Financial results compared with budget expectations are reviewed on a quarterly basis.

Should any of the above indicate a need for modifying projections, the strategic plan will be adjusted. CNU will do whatever possible to make adjustments for its ongoing effectiveness and viability. Should this not be possible, the last option, that any program, college, or the University is no longer a viable institution, rests with the Board of Trustees. Under those circumstances, the Board would decide if and when it is time to cease enrolling new students and to implement a teach-out policy.

The decision would be implemented if and when the following occur:

- a) enrollment for a two year period has substantially failed to meet the target for two consecutive years; and
- b) the combination of the reduction in expenses coupled with an inability to raise additional capital fails to prevent increasing operating losses; and
- c) students cannot be provided with a sustained a quality educational program.

C. Implementing the Teach-Out Policy

If at any time a program, college or the University makes the decision to cease operations the following scenario would be implemented:

- a) After the decision is made, new students will not be admitted.
- b) In the second year following the decision, budget expenses are reduced by reducing faculty no longer needed for first year courses, and eliminating the admissions function of the subject program / college.

Teach-Out Policy
California Northstate University

- c) In the third year following the decision, budget expenses are further reduced by the further reduction of faculty following the same approach in the preceding item (b) as applied to second year courses, and a reduction in the faculty development budget.
- d) In the fourth year following the decision to cease operations, faculty will continue to be reduced under the same approach as previously outlined, while a skeletal staff will remain to handle the transition and closing including the securing and transfer of records and transcripts, sale of assets, and accounting including closing the books and a final audit. In addition, career services staff will remain or be arranged to assist those graduates who have not found placement or further graduate education opportunities.

All necessary resources to enable this teach-out policy are available in reserved capital resources for CNU.

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