

How to Successfully Close an Institution

Few institutions consider closure while focusing on daily operations, yet unplanned institution closures can disrupt or derail a student's education. Careful planning is essential.

California law and regulations require institutions to notify the Bureau at least 30 days before closing and submit a separate closure plan for each campus type (e.g., Main, Branch, or Satellite). A closure plan form with required details is linked below.

This guide helps institutions close responsibly and comply with state law and regulations. It focuses on California state requirements only; other regulators or accrediting agencies may have additional requirements not addressed here.

This summary highlights key points but does not replace a full review of relevant laws.

How Will Students Complete Their Programs?

Ideally, institutions should close only after all enrolled students have finished their programs, so no one is affected. If that is not possible, a teach-out agreement can be established by the institution so that students can complete their programs elsewhere.

A teach-out is an arrangement an institution makes for its students to complete their educational programs at another institution when the institution ceases to operate. For accredited institutions, teach-out agreements are generally reviewed and approved by accrediting agencies.

Establishing a teach-out agreement with another institution that allows students to complete their programs at no additional cost supports students' success and minimizes financial liabilities for the closing institution.

Will Students be Owed Refunds from the Institution?

Students who paid for programs they can't complete due to an institution's closure may be entitled to refunds from the institution. Whether students are offered a way to finish their program at no extra cost is a key factor.

If the Bureau determines the institution has made arrangements for students to complete a comparable educational program at another institution at no additional charge, institutional charges may be refunded on a pro rata basis, based on how much of the program was completed.

If no such arrangements are provided, the institution must refund all charges paid, which may include several years of tuition.

California has a Student Tuition Recovery Fund (STRF) that can help students impacted by school closure. However, the existence of STRF does not replace the institution's duty to issue refunds. If the Bureau pays STRF claims because an institution failed to refund students, it may seek to recover those funds from the institution.

How Will Students Access Their Records in the Future?

California law requires institutions to maintain transcripts permanently and other student records for at least five years. Institutions must cover the cost of storing these records and make them available to students and other agencies upon request.

The Custodian of Records is the main contact for student records. The Bureau keeps this information on file for all approved institutions, but plans can change when an institution closes. Institutions must plan how they will meet record-keeping requirements after closure and update the Bureau with any changes, even years later. The Bureau uses this information to help students to request their records in the future.

How Should I Notify Students?

Institutions must notify students in writing about the closure and clearly explain their rights and options. This notice may be sent by mail or email. Timely and detailed notification ensures students understand how to obtain records, seek refunds, and continuing with their education. The notice must include:

- A statement that the school is closing, with expected closure date.
- Details about any teach-out plans and the students right to decline participation.
- Instructions for accessing transcripts or other records.
- Information about financial rights, including refunds, the Student Tuition Recovery Fund (STRF), and information about federal student financial aid programs and closures (if the institution participates in these programs).
- Contact information for the Bureau's Office of Student Assistance and Relief (OSAR), which helps students impacted by closure.

You can find samples of student notifications at the end of this guide for reference. Be sure your notice reflects the institution's closure and plans for teach-outs, refunds, and records. Review all applicable laws and regulations to ensure compliance.

Institutions may also include additional information in their notice, if desired, such as additional timelines, points of contact, or other details related to navigating the closure.

After sending the notice to students, a copy of the notice must also be sent to the Bureau's Closed Schools Unit at BPPE.ClosedSchools@dca.ca.gov.

How Should I Notify the Bureau for Private Postsecondary Education?

Institutions must notify the Bureau at least 30 days before closing. The required information is outlined in the Bureau's School Closure Form, which reflects requirements in law and regulation. Filling out the form completely helps ensure the institution closes in compliance with California law.

Institutions must provide the Bureau with a list of students who were enrolled at any time during the 120 days before closure. A template for providing required information is available at the end of this guide.

Failure to comply with closure requirements may result in enforcement action, including fines of up to \$5,000 per violation, and impact your ability to own, control, or manage private postsecondary educational institutions in the future.

If you have questions or need assistance, you can contact the Bureau Closed Schools Unit at BPPE.ClosedSchools@dca.ca.gov or by phone at (888) 370-7589 and press 8 when prompted.

Staff from the Bureau's Office of Student Assistance and Relief ([OSAR](#)) are available to meet with you and students on-site to answer questions about the impact of the closure. To request assistance, contact OSAR at least 48 hours in advance.

Key Resources

Private Postsecondary Education Act, Article 15: Orderly Institutional Closure and Teach-Outs ([California Education Code sections 94926-94927.5](#))

[Title 5, California Code of Regulations section 76240](#): Required Notices and Closure Plan.

Closure Reporting Forms and Samples:

- School Closure Plan form to submit to the Bureau.
- Blank roster template for submitting required student information to the Bureau.
- Sample closure notifications for students (review and revise as needed based on closure circumstances)
 - Scenario 1: All students have completed their programs prior to closure
 - Scenario 2: Teach-out options are available at no additional cost to students
 - Scenario 3: No teach-out options are available for students to complete their programs

SAMPLE CLOSURE NOTICE – ALL STUDENTS HAVE COMPLETED THEIR PROGRAMS

California regulations outline specific information that must be provided to students impacted by the closure of a private postsecondary educational institution. Institutions are encouraged to review Title 5, California Code of Regulations (5 CCR) section 76240 closely. Institutions may include in the notice additional information as needed to support an orderly closure process, such as how to obtain personal property, how long email accounts will be active, or other anticipated questions.

IMPORTANT NOTES:

- This sample notice is appropriate only for those institutions closing after all enrolled students have completed their programs. Other situations require different language.
- Key requirements and sample language are provided below for reference, but the notice must be adjusted to match the closure details.
- Institutions that participate in federal student financial aid programs must also provide students with information about those programs and institutional closures.

Pursuant to 5 CCR section 76240(f), institutions are required to send a copy of the notice to the Bureau for Private Postsecondary Education within five business days of it being sent to affected students. Notices may be sent to BPPE.closeschools@dca.ca.gov.

	REQUIREMENT DESCRIPTION
<p>Dear Students,</p> <p>[NAME OF CLOSING INSTITUTION] will be closing on [DATE]. This notice is being sent to provide you with information about your options and your rights under the law.</p>	<p><i>Institutions are required to notify students in writing about the closure and the date of the closure. See: 5 CCR section 76240(c)(1)</i></p>
<p>You may obtain copies of your financial aid and academic transcripts by contacting [NAME of custodian of records] at [physical address, email address, and phone number]. Certain records, like enrollment agreements and evidence of financial payments, may only be available for five years after closure. However, graduating students' transcripts will be maintained permanently.</p>	<p><i>Institutions are required to maintain student records and provide students access upon request. See: 5 CCR section 76240(c)(2)</i></p>
<p>The Office of Student Assistance and Relief (OSAR) is available to support prospective students, current students, or past students of private postsecondary educational institutions in making informed decisions, understanding their rights, and navigating available services and relief options. OSAR may be reached by calling [toll-free telephone number] or by visiting www.osar.bppe.ca.gov.</p>	<p><i>Institutions are required to inform students about assistance available from the Office of Student Assistance and Relief. See: 5 CCR section 76240(c)(3)</i></p>
<p>Sincerely,</p> <p>[INSTITUTIONAL REPRESENTATIVE NAME]</p>	

SAMPLE CLOSURE NOTICE – TEACH-OUT ARRANGEMENTS AVAILABLE

California regulations outline specific information that must be provided to students impacted by the closure of a private postsecondary educational institution. Institutions are encouraged to review Title 5, California Code of Regulations (5 CCR) section 76240 closely. Institutions may include in the notice additional information as needed to support an orderly closure process, such as how to obtain personal property, how long email accounts will be active, or other anticipated questions.

IMPORTANT NOTES:

- This sample notice is appropriate only for those who have arranged for all impacted students to complete their programs at no additional cost at another institution.
- Key requirements and sample language are provided below for reference, but the notice must be adjusted to match the closure details.
- Institutions that participate in federal student financial aid programs must also provide students with information about those programs and institutional closures.

Pursuant to 5 CCR section 76240(f), institutions are required to send a copy of the notice to the Bureau for Private Postsecondary Education within five business days of it being sent to affected students. Notices may be sent to BPPE.closeschools@dca.ca.gov.

	REQUIREMENT DESCRIPTION
<p>Dear Students,</p> <p>[NAME OF CLOSING INSTITUTION] will be closing on DATE. This notice is being sent to provide you with information about your options and your rights under the law.</p>	<p><i>Institutions are required to notify students in writing about the closure and the date of the closure. See: 5 CCR section 76240(c)(1)</i></p>
<p>Arrangements have been made for students to complete their programs at [NAME OF ALTERNATIVE INSTITUTION], located at [ADDRESS]. This institution can accommodate students in all impacted programs, at the same cost as the program you enrolled in. For assistance, please contact [NAME] at [CONTACT INFORMATION]. Additional information about these arrangements is attached.</p>	<p><i>If the closure impacts students' ability to complete their programs, institutions must notify students about any plans made to allow for program completion at an alternate institution. See: 5 CCR sections 76240(e)</i></p>
<p>If you choose not to participate in the teach-out program, you may be eligible to receive a partial refund for the portion of the program not completed. Please contact [NAME] at [CONTACT INFORMATION] if you have questions about the amount or timing of refund payments due to you. [NAME OF CLOSING INSTITUTION] will provide refunds in the form in which original payments were made within 45 days of closure.</p>	<p><i>If the closure impacts students' ability to complete their programs, institutions must notify students about their eligibility for refunds. See: 5 CCR section 76240(e)</i></p>
<p>Due to the closure of [NAME OF CLOSING INSTITUTION], you may be eligible to file a Student Tuition Recovery Fund (STRF) claim. STRF is available to students who attended institutions approved by the Bureau for</p>	<p><i>If the closure impacts students' ability to complete their programs, institutions must inform students</i></p>

Private Postsecondary Education and who are harmed when their institutions or programs close. To file a claim online or to download an application, see: <https://www.bppe.ca.gov/students/strf.shtml>.

You may obtain copies of your financial aid and academic transcripts by contacting [NAME of custodian of records] at [physical address, email address, and phone number]. Certain records, like enrollment agreements and evidence of financial payments, may only be available for five years after closure. However, students' transcripts will be maintained permanently.

The Office of Student Assistance and Relief (OSAR) is available to support prospective students, current students, or past students of private postsecondary educational institutions in making informed decisions, understanding their rights, and navigating available services and relief options. OSAR may be reached by calling [toll-free telephone number] or by visiting www.osar.bppe.ca.gov.

Sincerely,

[INSTITUTIONAL REPRESENTATIVE NAME]

about the Student Tuition Recovery Fund. See: 5 CCR section 76240(e)

Institutions are required to maintain student records and provide students access upon request. See: 5 CCR section 76240(c)(2)

Institutions are required to inform students about assistance available from the Office of Student Assistance and Relief. See: 5 CCR section 76240(c)(3)

SAMPLE CLOSURE NOTICE – NO TEACH-OUT ARRANGEMENTS AVAILABLE

California regulations outline specific information that must be provided to students impacted by the closure of a private postsecondary educational institution. Institutions are encouraged to review Title 5, California Code of Regulations (5 CCR) section 76240 closely. Institutions may include in the notice additional information as needed to support an orderly closure process, such as how to obtain personal property, how long email accounts will be active, or other anticipated questions.

IMPORTANT NOTES:

- This sample notice is appropriate only for those institutions that are closing without providing impacted students options for completing their programs at no additional cost.
- Key requirements and sample language are provided below for reference, but the notice must be adjusted to match the closure details.
- Institutions that participate in federal student financial aid programs must also provide students with information about those programs and institutional closures.

Pursuant to 5 CCR section 76240(f), institutions are required to send a copy of the notice to the Bureau for Private Postsecondary Education within five business days of it being sent to affected students. Notices may be sent to BPPE.closedschools@dca.ca.gov.

	REQUIREMENT DESCRIPTION
Dear Student, [NAME OF CLOSING INSTITUTION] will be closing on [DATE]. This notice is being sent to provide you with information about your options and your rights under the law.	<i>Institutions are required to notify students in writing about the closure and the date of the closure. See: 5 CCR section 76240(c)(1)</i>
Unfortunately, there have been no arrangements made for students to transfer and complete their programs at another institution. We regret the impact this may have on your academic progress.	<i>Students must be notified about any plans made to allow for program completion. See: 5 CCR sections 76240(d)(1-2), (e)</i>
Because the closure will prevent you from completing your program, [NAME OF INSTITUTION] will be providing you a full refund of the tuition and fees you paid. Please contact [NAME] at [CONTACT INFORMATION] for information about the amount and timing of your refund. Refunds will be provided in the original form of payment within 45 days of closure.	<i>If the closure impacts students' ability to complete their programs, institutions must notify students about their eligibility for refunds. See: 5 CCR section 76240(e)</i>
Due to the closure of [NAME OF CLOSING INSTITUTION], you may be eligible to file a Student Tuition Recovery Fund (STRF) claim. STRF is available to students who attended institutions approved by the Bureau for Private Postsecondary Education	<i>If the closure impacts students' ability to complete their programs, institutions must inform students about the Student Tuition Recovery Fund. See: 5 CCR section</i>

and who are harmed when their institutions or programs close.
To file a claim online or to download an application, see:
<https://www.bppe.ca.gov/students/strf.shtml>.

76240(e)

You may obtain copies of your financial aid and academic transcripts by contacting [NAME of custodian of records] at [physical address, email address, and phone number]. Certain records, like enrollment agreements and evidence of financial payments, may only be available for five years after closure. However, students' transcripts will be maintained permanently.

Institutions are required to maintain student records and provide students access upon request. See: 5 CCR section 76240(c)(2)

The Office of Student Assistance and Relief (OSAR) is available to support prospective students, current students, or past students of private postsecondary educational institutions in making informed decisions, understanding their rights, and navigating available services and relief options. OSAR may be reached by calling [toll-free telephone number] or by visiting www.osar.bppe.ca.gov.

Institutions are required to inform students about assistance available from the Office of Student Assistance and Relief. See: 5 CCR section 76240(c)(3)

Sincerely,

[INSTITUTIONAL REPRESENTATIVE NAME]