



School Closure Framework

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The end of any life is challenging. Issues of pain management, legal arrangements, financial settlements, and property disbursement must all be managed while riding a wave of emotions, which vary among members of a family or community. The closure of a school hits all these same touchpoints.

Decisions will be difficult and there may not always be agreement on the right course, but the best way to start is by invoking that which binds us together: the mission and values we fought hard to uphold, the thing we want remembered after the school ceases to operate.

1) Guiding Principals

- a) Keep a focus on the mission and values; this is what the trustees hold in trust, not the bricks or name on the sign.
- b) Document a thoughtful, multi-step decision process.
- c) Emphasize confidentiality or deliberations and get NDAs from any discussion participants not already covered by one.
- d) Establish clear, strict process authority. No trustee, administrator, or outside advisor should discuss deliberations or take actions without explicit approval, even when they think it is in the school's best interest.

2) Create a Task Force to develop a School Closure Contingency Plan

- a) This group will put together a detailed plan for steps and timing, should a school closure be deemed necessary.
- b) Ideally, there will also be a parallel task force exploring new business models, mergers, or sale scenarios.
- c) If a formal closure decision is approved by the board, it should be communicated to all stakeholders. This contingency task force provides a vehicle for detailed preparation while closing the school remains only one of several possibilities under consideration.

3) Outside Help - Consider engaging outside advisors for legal, accounting, communications, and process management.

- a) The need for appropriate legal and accounting advice can be self-evident, as it would be when putting the affairs of a terminally ill person in order.
- b) Additionally, just as professional hospice care can reduce pain and help all involved through a difficult process, an outside process advisor and a communication strategist can help a school community through a difficult process. This assistance can seem like an unnecessary expense at a time when funds are very tight, but it is



important to recognize that professional, objective advice can help the school avoid painful missteps and potential litigation.

- c) Being a trustee or administrator forced to confront the closure of their school is a stressful and emotional situation. Even smart, professional people in this situation are more prone to making mistakes or overlooking what might be obvious to a dispassionate, experienced outside advisor.

4) **Contingency Plan** - Major elements of a School Closure Contingency Plan will include:

- a) **Communications** - In the age of social media, an announcement should be all encompassing. Once the decision to close a school is made, complicated transitions begin, but clear communication needs to begin first.
 - i) The Head and Board Chair should be prepared immediately after the board's decision to announce to parents, staff, and the community that the decision to close the school has been made.
 - ii) While some would suggest that the first group to be notified should be the school's faculty and staff, it is important to understand the likelihood of quick staff-to-parent networks of communication. Because it is better for parents to find out directly from the school, rather than from information leaked by sources elsewhere, intensive school-to-parent communication should begin at about the same time as the school faculty/staff meetings.
 - iii) Announcing the decision to students must be done thoughtfully, but must also be done in rapid succession following notification of employees and parents. Grief counselors should be standing by, as this will represent the impending death of a beloved entity for many. Include this cost in the closure budget (see below).
 - iv) In addition to employees and families, the comprehensive communications plan should include the following groups:
 - (a) Alumni
 - (b) Govt. agencies
 - (c) Accrediting bodies and professional associations
 - (d) Local press – press release
 - (e) Unions / collective bargaining groups
 - (f) Program partners and subcontractors
 - (g) Suppliers and creditors
 - (h) Area school and educational leaders
- b) **People** – Taking care of the people who make up the school community should be the top priority. This focus is not only a way to stay true to your mission, but is also the best way to minimize pain and litigation.
 - i) Create an outplacement plan for students and employees.
 - ii) These plans should NOT be implemented prior to a formal vote to close the school.
 - iii) Clarity on transition support for each group will greatly help defuse anxiety.



- (1) For employees, consider holding afterschool job search workshops. Many long-serving employees and teachers may not have looked for a position in the digital age and can benefit from help. Also provide connection to outside resources and consider having an educational search firm come in for a presentation.
 - (2) For students, immediately contact potential transfer schools, often the schools that students also considered when first applying to your school. Explore expedited transfers that avoid all the admission hoops and would also grant your students exceptions for application and financial aid deadlines.
- (3) Legal**
- (a) Beyond press releases, create a comprehensive list of entities that must receive formal notice of the school's impending closure and create a timetable to ensure that the timing of notices meets legal requirements. These might include communication with entities such as:
 - (i) Your state's Secretary of State
 - (ii) Your state's Department of Education
 - (iii) The IRS
 - (iv) Banks and creditors
 - (v) Reduction in Force legal notifications to employees
 - (b) A process facilitator does not take the place of an attorney in identifying and implementing legal steps, but working in coordination, a facilitator can do a lot of the legwork at a lower hourly rate and save the school money.
 - (c) Special arrangements must be made for academic record retention.
 - (i) Students and alumni should be notified on how they can obtain their school records before the school closes, and also the process and contact on how to get records after the school has ceased operation.
 - (ii) Prior to closure, student files should be culled down to the legally required core elements and scanned if possible, to reduce future storage and retrieval expense.
- (4) Assets & Liabilities** – “The determination and distribution of the school's final assets and debts are among the key issues facing most schools as they close,” according to former NAIS Legal Counsel Debra Wilson.
- (a) Gather data and documents about all the school's assets and liabilities into a virtual “deal room,” where all authorized trustees, administrators, and advisors can have access to the same information.
 - (b) Once word of the school's closure is public, the process advisor or other dispassionate emissary should contact all creditors and contract holders and attempt to work out a negotiated settlement to release all liability.
 - (i) Some large settlements may need to be contingent on the sale of assets and real estate and an escrow account will need to be opened to ensure that all creditors are paid from asset sale proceeds.



- (c) Net proceeds after all creditors have been satisfied must generally be distributed to another nonprofit organization with a similar public service educational mission.
 - (i) The school's bylaws must be consulted to identify any specific requirements regarding remaining funds.
 - (ii) State laws must also be reviewed for distribution requirements.
 - (iii) Restricted gifts and endowments will need advice and consent from the donors in order to be redeployed. A nonprofit legal specialist can help in situations where the donors are deceased.
 - (iv) Attempt to accelerate the payment of any outstanding pledges.

- 5) Closure Budget** – There will be unique expenses related to researching options and the wind-down of school operations. While there may be savings in areas such as recruiting a new class, provisions must be made and funded to provide for items such as:
 - a) A records custodian, so former students can get copies of transcripts and school files. Check state regulations for period that record access must be maintained.
 - b) Professional advisors for specific discrete tasks such as legal, accounting, communications, outplacement, and grief counseling.
 - c) An overall process advisor/coordinator, who can help streamline the work of other outside professionals, keep everything organized and on track during a complicated and emotional time, and provide continuity during a time in which the school may experience abrupt staff departures, as people jump to take new jobs.
 - d) Celebration – Every well-lived life deserves a celebration. The closure of a school is sad, but strong leaders will draw focus to the decades of achievements and the positive difference the school has made in countless lives. Don't forget to pay attention to this aspect and budget resources for a modest celebration.