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Staring Down ‘Enrollment Cliff,’ Troutman Pepper Team Devises Strategy to Keep Schools Open

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Stephen C. Piepgrass | Ashley L. Taylor, Jr.

Stephen Piepgrass and Ashley Taylor, co-leaders in Troutman Pepper’s Regulatory Investigations, Strategy + Enforcement Practice Group, were quoted in the June 27, 2024 *The Legal Intelligencer* article, “[Staring Down ‘Enrollment Cliff,’ Troutman Pepper Team Devises Strategy to Keep Schools Open.](#)”

But there is another route for school stakeholders, according to Troutman Pepper Hamilton Sanders state attorneys general and regulatory investigations partners Ashley Taylor and Stephen Piepgrass, which leaves the door open for a school to remain open even after leadership has decided to close its doors and might just come in handy with an approaching “admissions cliff” already putting pressure on other small colleges and universities across the country.

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“Oftentimes for these schools, one of the main reasons they are closing is that they assert they’re in financial difficulty—that’s the hook for closure,” explained Piepgrass, leader of the firm’s regulatory investigations, strategy and enforcement group. “The worst thing you can do in a situation like that is sue seeking monetary damages. It perpetuates that fundamental problem, so you’ve got to come up with other creative ways to address the issue to save the college.”

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“Up until Sweet Briar, most schools simply announced closure and it was a fait accompli,” Taylor recalled. “Nobody had ever successfully really challenged a school closing. We challenged that using some tools that only we understood because of our broader regulatory experience.”

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“Working with the county attorney, we successfully challenged that. We went to the Virginia Supreme Court and got the board to step down, and replaced the board,” Taylor said, adding that such laws on charitable solicitations typically fall under the purview of attorneys general, who are already beginning to pay more attention to school closures.

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“The drop-off in babies that were born in 2008 and who are now coming of age to go to college [is putting] pressure on all institutions of higher education,” Piepgrass said. “It’s something the attorneys general are focused on and thinking about as they’re watching the same trends.”

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“What that has done is it’s created a lot of difficulty already ... of predicting what incoming classes will look like,” he explained. “Schools are already under financial strain and see this admissions cliff and this additional pressure on financial aid that’s preventing students from committing to those institutions. [It] can look like an insurmountable crisis, even if there are solutions.”

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