

**Report on the “Ashford Acquisition”
Global Campus Senate Advisory Committee
November 25, 2020**

The Establishment of Global Campus Senate Advisory Committee (GCSAC)

The Global Campus Senate Advisory Committee (GCSAC) was convened in September 2020 by Faculty Chair Summers and Vice-Chair Hingle pursuant to a [motion by the Faculty Senate](#) on Documentation and Due Diligence on the Ashford University Deal, August 17, 2020. A survey conducted by the Faculty Senate on August 19, 2020 revealed that over 80% of the 1,074 faculty respondents “did not endorse the acquisition,” and most were “extremely dissatisfied” with the handling and communication of the acquisition.¹ The ad hoc committee was charged with “understanding all aspects of the Ashford acquisition, educating the Senate/faculty on their findings, and advising senior leadership on behalf of Senate and faculty stakeholders across our campus.” The committee members are:

Carine Bourget, Professor of French, COH, Senator and Committee of Eleven
 Kyle DiRoberto, Associate Professor of English CAST, Senator
 Leila Hudson (Co-Chair), Associate Professor of Middle Eastern and North African Studies, SBS, Senator,
 Paul Michas, Associate Professor of Accounting, Eller
 John Milbauer, Professor of Music COFA, Senator
 Lynn Nadel, Professor Emeritus of Psychology, Regents Professor, COS; Past Chair of the Faculty
 Gary Rhoades (Co-Chair), Professor of Higher Education, COE
 Billy Sjostrom, Professor of Law, Rogers COL
 Michael Staten, Professor of Agricultural Economics; Associate Dean for Academic Affairs, CALS
 Rob Stephan, Assistant Professor of Religious Studies and Classics, COH, Elected Member of SPBAC

The committee charge is to:

-Review the Ashford deal against needs for adapted business models in higher education, including the rationale and faculty involvement in pursuing the deal

¹ UArizona Opinion: The Acquisition of Ashford University. Presented to the Arizona Board of Regents by the Faculty Senate. August 20, 2020.

- Review current plans for how the University of Arizona Global Campus (UAGC) will be established and governed
- Scrutinize the relationships between UArizona and the newly established UAGC (especially Arizona Online and UArizona Global), including the “affiliation agreement”
- Review current plans to manage Ashford liabilities and exposure to legal, financial, and ethical risks, including damage to UArizona’s reputation and rankings and potential or actual conflicts of interest or conflicts of commitment
- Assess potential /actual effects on academics and operations, including but not limited to revenue and cost/financial implications for UArizona, recruitment, hiring, retention, and salary of faculty and staff; recruitment, retention and graduation rates of students, particularly BIPOC, active military/veterans, international students

Shared Governance at the University of Arizona Relative to the Ashford Acquisition/Zovio Partnership

The Ashford acquisition and UAGC partnership is clearly a matter of shared governance as it involves the acquisition of an academic entity and the extension of the University of Arizona (UArizona) name, reputation, values, and mission. Also evident are the implications this acquisition has for UArizona academic colleges, departments, and their deans, faculty, and staff.

The value of shared governance is that it leverages the collective faculty’s insights, expertise, international networks, and knowledge about the institution’s core work of education, research, and outreach to inform and enhance policy and practice. Thus far, the SLT has not fully engaged in such a process with this Faculty Senate’s ad hoc advisory committee or with the Senate itself. We believe that should change.

Shared governance at the University of Arizona, pursuant to [Arizona Revised Statute 15-1601b](#), requires senior administrators to consult and collaborate with elected shared governance entities and the subcommittees of those elected bodies. Again, thus far, such collaboration has been largely lacking with regard to this Senate Advisory Committee.

The committee notes the priority and importance of elected entities and bodies responsible to the Senate as compared to committees appointed by and reporting to central administration. Appointed task forces have important roles to play, but they do not substitute for working in meaningful ways with the elected bodies.

Finally, meaningful shared governance depends on shared governance entities (i.e., the Faculty Senate and this committee) receiving timely and sufficient information from central administration to engage in substantive deliberation before decisions are taken, rather than

simply being informed on policies or decisions *after* they have been implemented. Thus far, the SLT has not provided GCSAC with any of the documents that we requested (Appendix 1). That is not indicative of a commitment to meaningful shared governance.

GCSAC Activities

Our report is based partly on documents that we have gathered from sources outside the university in addition to the materials presented by Faculty Senate Chair, Jessica Summers August 20, 2020, including a faculty/staff/student survey of opinions about the Ashford acquisition, a [memo from the Strategic Planning and Budget Advisory Committee \(SPBAC\)](#) on the topic, an [analysis by a committee comprised of Eller College faculty](#), and a [College of Education analysis](#) of the acquisition. Of particular value in understanding the challenges confronting Ashford were the [July 12, 2019 “Notice of Concern”](#) from Ashford University’s accreditor, the Western Association of Schools and Colleges (WASC) and the November 11, 2020 “Structural Change Commission Action Letter, Change of Control and Legal Status” (WASC letter) ([available here as a pdf](#)) which reiterated and remphasized the continuing need to redress the weak student outcomes of Ashford.

Our report is also based on conversations GCSAC has had with Craig Wilson, UArizona Vice Provost of Online and Distance Education; Liesl Folks, UArizona Provost; and Professor Regina Deil-Amen, a UArizona scholar who studies open access institutions and their students. The conversation with Dr. Deil-Amen and the scholarly resources she provided (Appendix 2) were particularly valuable in clarifying the depth of the challenges entailed in reforming an institution such as Ashford with a pattern of substandard student outcomes. We also used information from public presentations and informal conversations with Brent White, Vice Provost for Global Affairs. We requested but did not obtain meetings with President Robbins and Paul Pastorek, Interim President of UAGC. GCSAC met regularly (at least bi-weekly) through the months of September, October, and November 2020.

Four Superordinate Principles

We start with four superordinate principles identified by GCSAC that we recommend to help optimize the workings of the University of Arizona and its relationship with UAGC and Zovio. Shared governance leaders and elected representatives should work to ensure that these superordinate principles are observed in all current and future policy in relation to UAGC.

1. The integrity and future direction of UAOnline, UA Global and micro-campus, and distance campuses should not be adversely affected by UAGC, and the goal of the partnerships should be a synergistic win-win and complementarity through the respective entities thriving in distinct

realms and student markets. That should entail ample financial investments going to UAGC to ensure quality educational outcomes, along with sufficient financial allocation to the University of Arizona to justify the arrangement.

2. Industry standard, responsible, ethical recruitment and financial practices towards UAGC students should be ensured, as well as quality education for students that provides value in their outcomes, including degree completion and successful careers.

3. Specific mechanisms of intersection between UAGC and UArizona, and of overview by the University of Arizona should be established, beyond simply a UAGC Board of Directors that has minority representation from University of Arizona appointees.

4. As a result of its utilization of the University of Arizona brand, the development of UAGC should be consistent with the University of Arizona's core values and mission as articulated in the university's current Strategic Plan, and as a flagship public land-grant Hispanic Serving Institution.

The University of Arizona's Senior Leadership Team (SLT) has publicly articulated three of these principles (1, 2 & 4), indicating in public meetings that the arrangement would not adversely affect University of Arizona programs, that Ashford and Zovio's practices would be or are already improving, and that the deal and the operation of UAGC are and will be consistent with the University of Arizona's core values and mission.

However, multiple groups, constituencies, and individuals on and off campus have articulated and currently maintain strong concerns that the acquisition is already adversely impacting the University of Arizona and existing UAOnline programs; that the University of Arizona central leadership has offered no clear path for rectifying Ashford's practices in marketing, recruitment, and financial aid, and in student outcomes of graduation rate, student debt and default, and job outcomes; and that aspects of the deal are fundamentally inconsistent with the University of Arizona's core mission and values. Indeed, these concerns not only remain unresolved, they have been unaddressed in any specific ways by the SLT. More importantly, it is not certain that these issues can be solved, given the current contractual agreement with Zovio that guarantees exclusivity to Ashford University's for-profit former parent corporation without significant oversight mechanisms. Further, the November 11, 2020 letter from WASC regarding the acquisition makes clear that several of these issues continue to be of concern to that accrediting body. Thus, GCSAC believes that it is imperative to translate these principles through shared governance processes and entities into actions, policies, and practices at the University of Arizona and at UAGC.

Guided by the above principles, the GCSAC report addresses 1) governance, 2) academic program quality and student outcomes, and 3) finances/financial strategy. It offers principles that we believe should guide the University of Arizona central leadership, academic deans, and

shared governance bodies, and should be considered by the UAGC Board of Directors, particularly the University of Arizona appointed members on that board. In some cases, we offer recommendations of some specific measures. For each of the sections, we provide an opening summary narrative about the issues at hand. Subsequent to these three sections, we provide an additional list of recommendations. In the Appendix we list resources and links to public documents.

Section One - Governance

The new UAGC was incorporated on July 29, 2020 as an Arizona nonprofit corporation with a single member. The initial member was the Law Colleges Association of UArizona but was replaced on October 14, 2020 by the UA Foundation. The new non-profit UAGC was initially overseen by a Board of Directors consisting of UArizona administrators. The original five-person board (President Robbins, Provost Folks, Dean Marc Miller, Vice Provosts Wilson and White) subsequently appointed other UArizona personnel (Lisa Rulney, Treasurer, and Laura Todd Johnson, Secretary) and others (Paul Pastorek, President) as officers of the new entity. In mid-November, the original Board of Directors was replaced by a new nine member board. Three directors chosen by UArizona (Lehman Benson III, Gail Burd, and Gary Packard) and one chosen by the UA Foundation (Marc Miller) serve as individuals rather than *ex-officio* members. This means that should they terminate their relationship with UArizona, they personally, rather than their replacements at UArizona, will continue to serve on the UAGC Board. They serve alongside five independent directors (Kerri Briggs, Nivine Megahed, Sean O'Keefe, Ty Smith, and Omar Vasquez.) Updated bylaws reflecting the mechanisms of appointments to and by the Board have not been seen by GCSAC as of November 25, 2020. This arrangement raises concerns about conflicts of commitment, conflicts of interest, and weak or nonexistent oversight mechanisms regarding the Board as it is currently comprised. Legal analyses commissioned by the [Century Foundation](#), a progressive think tank that has been critical of the Ashford acquisition, suggest that the UAGC Board structure and other aspects of the acquisition and partnership could compromise the non-profit status of UAGC and/or violate the Anti-Subsidy Clauses of the Arizona Constitution.²

Governance Principle One: Independence and Fiduciary Responsibilities of Board of Directors Members

² Century Foundation Legal Analyses by Perlman and Perlman, LLP: “[The Implications of the Creation of the University of ARizona Global Campus](#)” 10/07/2020 Memo and [The Implications of the Creation of the University of Arizona Global Campus Anti Subsidy Clause Memo](#) 11/13/2020.

UArizona employees appointed to the Board of Directors for UAGC should be independent and, to that end should be given guidance so that they can better navigate potential conflicts of interest and commitment that could arise between their (fiduciary) responsibilities as members of UAGC and their duties as employees of UArizona.

The UAGC Board structure is unusual in that most board structures do not involve people with explicit vested interests in the success of both their employer and the organization on whose board they sit at the same time as both organizations are supposed to be working in partnership but in potentially competing arenas. Given this unusual situation, UAGC Board members should be provided additional guidance, training, and resources for how to navigate this situation, with one possibility being training from the Association of Governing Boards, of which ABOR is a member, on matters of optimal board practices, conflicts of commitment, and fiduciary responsibility.

This governance principle is consistent with superordinate principles #3 & #4.

Governance Principle Two: University of Arizona Oversight in Relation to Zovio

Given Zovio's history, that its work will affect the overall success of UAGC, and that Zovio's practices will have implications for the University of Arizona's academic and public missions, there should be a formal body responsible for monitoring and auditing the marketing, recruitment, and financial aid practices of Zovio, beyond simply the UAGC Board of Directors' ad-hoc oversight.³ As Boards of Directors typically are not involved in such detailed matters, appropriate oversight might involve creating a separate committee or working group.

This governance principle is consistent with superordinate principles #1, #2, & #4, and with the November 11, 2020 WASC letter, section 2.C.

Governance Principle Three: Board Advisory Committees

Given UAGC Board of Directors' responsibilities for enhancing the new institution, UArizona appointed members of the UAGC Board should propose adopting an advisory committee structure that draws members from UAGC and the UArizona.

³ Bridgepoint Inc., Zovio Inc. and Ashford University have been the target of numerous lawsuits, including an ongoing suit brought by the [Attorney General of California](#) in 2017. In addition, the [US House of Representatives Education and Labor Committee is conducting an investigation](#). A series of lawsuits is related to [Ashford's eligibility for GI Bill funds](#) in several states. See Beynon, Steve. "Vets Groups Sound the Alarm After VA Greenlights Controversial Ashford University for GI Funds." *Stars and Stripes*, February 21, 2020.

Board advisory committees in various realms (e.g., academic affairs, student outcomes, strategic planning, finance) are a common and valuable practice in structuring effective and efficient Board activity.

This governance principle is consistent with superordinate principles #1, #2, & #4.

Section Two - Quality of Education and Student Outcomes

The UAGC has acquired the assets of an institution with a consistent history of underperformance in student outcomes that has elicited criticism by its accrediting body. From a [list of 217 WASC accredited institutions of higher learning](#), Ashford is one of eight that is “Accredited with a Notice of Concern.” This notice is the warning that is used when an institution “is in danger of being found out of compliance with one or more Standards if current trends continue.” Over time, Ashford has experienced significant declines in enrollments, from nearly 70,000 students in 2013 to 35,000 at the time of acquisition in 2020. The number of full-time compared to part-time faculty has declined significantly, from 2,470 part-time and 274 full-time faculty in 2015 to 2,300 part-time and 100 full-time faculty in 2020.⁴ Ashford's full-time regular faculty-to-student ratio is about 1:177 and this may have widened further in recent months. Its high dropout rate is estimated at around 80% and it is estimated to leave students with an average of \$36,000 in debt.⁵ A number of lawsuits alleging institutional wrongdoing vis a vis students and employees (some settled and some ongoing) have been filed. Ashford's “Notice of Concern” status from WASC will require a follow-up Special Visit in the fall of 2021. The “Notice of Concern” was not affected by WASC's November 2020 approval of the structural change on which the UAGC acquisition is contingent. Indeed, WASC’s “Structural Change Commission Action Letter” of November 11, 2020, specified a range of suggestions: the need to target, set, and monitor specified metrics and the need to analyze, audit, and ensure accountability, regarding student outcomes and institutional patterns of initiative and investment, in order to reverse long standing weakness relative to comparable institutions, in a range of student outcomes.⁶

⁴ [Grand Canyon Institute Analysis](#) “University of Arizona Global Campus: Critical Legal and Ethical Issues for Consideration.” November 18, 2020. (Preliminary)

⁵ Miller Kevin, Century Foundation “[Analysis of Ashford Student Outcomes](#).” 10/06/2020

⁶ The November 11, 2020 WASC letter, available at a link [on this page](#), states, “In taking the following actions, the Commission notes that the reaffirmation with Notice of Concern and follow-up requirements specified in the Commission’s Action Letter for reaffirmation dated July 12, 2019 apply in full force without modification to the accredited institution/new entity (Ashford/UAGC), independent of the status of the structural change. The necessity for improvement of weak student outcomes is a significant basis for the detailed Notice of Concern in the Commission action of July 2019 [<https://wascsenior.box.com/s/21pv6xw5gt3mk3yuk9j4ep6je3pj6246>] and will be addressed through the Interim Report (fall 2020) review, Special Visit (fall 2021), and continuing oversight and monitoring. The Commission re-emphasizes the crucial importance of improving retention and graduation rates in the near future in order to satisfy WSCUC accreditation standards.”

The ongoing “Notice of Concern” and subsequent visit from WASC in 2021 also focuses on independent monitoring and auditing of marketing and recruitment practices. Such practices are part of another problematic history of Ashford/Zovio which has manifested in several settlements and an ongoing lawsuit by the state of California, regarding alleged fraudulent practices in these realms that target underserved student populations, including veterans. Together, this history and ongoing “Notice of Concern” make it clear that the change to not-for-profit status, the adoption of a University of Arizona name, and a Board of Directors on which the University of Arizona has minority representations are in themselves insufficient to the large organizational challenge of reversing Ashford's past patterns of outcomes and practices.

Quality Principle One:

Oversight of UAGC and UAOnline Overlapping Academic Programs

In order to study overlap and reduce competition, as well as to address complementarity and program development in the entities, there should be university-wide oversight (by UArizona colleges, departments and programs) of UAGC in relation to UAOnline’s academic programs.

GCSAC recommends that there be a university-wide committee chaired by the Vice Provost of UAOnline, with deans and elected faculty representatives from programs and colleges in which there is overlap between UAGC and UAOnline.

GCSAC also recommends that the proposed committee address not just degree programs, but also general education programs, including second language requirements, such that they are neither duplicated nor outsourced to UAGC.

GCSAC has heard from the Provost and the Vice Provost of Online and Distance Education about the possibility of forming a Joint Academic Advisory Committee (JAAC). However, the charge of this committee is unclear. Beyond broad references to promoting cooperation, the membership of JAAC has yet to be determined and has changed, we were told, from consisting of Associate Deans to appointed faculty. Thus, the committee has not been defined to meet the needs identified in our principles of independent shared governance delineated in the November 11, 2020, WASC letter.

This quality principle is consistent with all four superordinate principles, and with the full thrust of the November 11, 2020 WASC letter, as well as with section D.i-vi of that letter.

Quality Principle Two: Investment in Academic Expenditures

UAGC should move towards meeting a industry-standard level of investment in instruction. At present, Ashford spends 19.1% on instructional expenditures, whereas for-profit higher education industry standard is 29%.⁷

This quality principle is consistent with superordinate principles #2 & #4, and with the full thrust of the November 11, 2020 WASC letter, section 2.D.ii.

Quality Principle Three: Program Review, Oversight, and Articulation

Given the UArizona’s core academic missions and the history of Ashford, there is concern that UAGC’s quality will affect the overall success of the enterprise. Mechanisms for overseeing academic programs and assuring quality should be provided by UArizona, beyond simply the Board of Directors and outside accrediting agencies. This should take place at the programmatic level with clear consequences for failing to meet quality standards.

GCSAC recommends that there be a university-wide committee chaired by the Vice Provost of UAOnline, with dean and elected faculty representatives from programs and colleges in which there is overlap between UAGC and UAOnline and shared governance bodies to engage in the activities prescribed in the WASC November 11, 2020 letter.

We recommend that UAGC’s academic programs have rolling program reviews similar to UArizona. Review committees should consist of a combination of external experts and UArizona faculty in the relevant programs. Like APRs at UArizona, the reviews should include consultation with students. The program reviews should focus particularly on the student outcomes such as persistence rates, graduation rates, student debt and default rates, and income/job placement outcomes. There should also be an accountability mechanism for monitoring, achieving and improving outcomes.

This quality principle is consistent with superordinate principles #2 & #4, and with the full thrust of the November 11, 2020 WASC letter, as well as sections 2.D.v. & 2.D.vi.

Quality Principle Four: Distinctive Websites and Marketing

UAGC and UAOnline websites should be distinctive and separate to ensure clarity and allow for differentiation between these entities for distinct target populations. Already [UArizona websites promote UAGC](#) in ways that can be confusing to prospective students, especially with regard to

⁷ Miller, Kevin, Century Foundation “[Analysis of Ashford Student Outcomes.](#)”

[UArizona Global. Ashford University has already begun to use the UArizona “Block A Mark”](#) in spite of the lack of a trademark licensing agreement. UArizona colleges with overlapping programs should be centrally involved in developing the websites and messaging, as well as establishing “an independent monitoring and marketing audit plan with results periodically reported to WASC,” as mentioned in the November 11, 2020 WASC letter.

This quality principle is consistent with superordinate principles #1 & #3 and with the November 11, 2020 WASC letter, sections 2.B., & 2.C.

GCSAC recommends that to eliminate confusion created by having two entities with extremely confusing, overlapping names, UAGC should be renamed.

This quality principle is consistent with the November 11, 2020 WASC letter, Section 2.A.

Quality Principle Five: Transfer Regulation Standards and Competition

Any deliberations and decisions about creating “pipelines” between UAGC and the University of Arizona should involve consultation with faculty and shared governance bodies as well as invested academic colleges, departments, and programs.

This quality principle is consistent with superordinate principles #1 & #3.

Based on the concerns and assessments of relative program quality by faculty and deans in at least two of the largest academic colleges at the UArizona in which there are overlapping graduate programs (Business and Education), we particularly recommend against promoting a “pipeline” strategy between graduate programs.

Section Three - Finance and Growth Plans

From the initial announcement of the Ashford acquisition and the service arrangement with Zovio, President Robbins has indicated that over the next 15 years the University of Arizona would not incur any costs or liabilities, and that it would receive \$15M a year, on average, in addition to a larger front-loaded payment the first year and a differentiated payout in the first five versus the remaining ten years.⁸ At this point, however, to our knowledge, the terms of money

⁸ President Robbins included the following in his August 3, 2020 email announcing the deal: “The acquisition itself will cost Global Campus only \$1. Zovio also has agreed to guarantee Global Campus a substantial income stream of \$225 million over the next 15 years, including an upfront payment of \$37.5 million.”

flow between UAGC and the University of Arizona have not been clearly articulated. Moreover, the WASC letter to UAGC dated November 11th, 2020 makes clear that there is an expectation of direct investments in UAGC that will enhance student outcomes to remedy the accreditors' Notice of Concern.

Although the "revenue cascade" by which revenues of UAGC will be allocated is only indirectly manifest in the heavily redacted 340-page agreement, it seems that after covering operating expenses of UAGC for its faculty, curriculum and officers, Zovio's payment for services will consume between 65-71% of gross revenues, plus a contractual 19.5%.⁹ According to the interpretation of some GCSAC members, what has been presented as a guaranteed income to the new entity and/or the University of Arizona is not guaranteed if UAGC underperforms, since Zovio seems to have prior claim under the Strategic Service Agreement. Moreover, it is not clear to members of GCSAC whether the "Residual Amount" of UAGC revenues that constitutes the guarantee would flow back to the University of Arizona directly or first to UAGC and subsequently to UArizona subject to the terms of the pending affiliation agreement between UAGC and UArizona. GCSAC is troubled by the lack of clarity on these central points. GCSAC's inability to ascertain after considerable due diligence that the arrangement does not deprive UAGC of funds necessary for investment in quality education only strengthens the need for continued shared governance attention from UArizona.¹⁰

Complying with accreditation requirements to ensure material change to Ashford's historical practices consistent with the values, mission and reputation of the University of Arizona may require some, if not all, of the residual funds anticipated by many to flow to UArizona. To our knowledge, there are no plans in place for UAGC to change its Ashford-era business model. Given the impending change in the federal administration and possible changes in the regulation of online education, such changes may be important. Furthermore, to our knowledge, there are no plans in place for reversing the long-term trend of enrollment decline at Ashford. That is of serious concern given that in a somewhat parallel situation, Purdue Global has experienced reduced enrollments on the order of 15% since the agreement between Kaplan and Purdue was enacted. On the other hand, if UArizona will take a regular allocation of revenues earlier in the distribution of UAGC revenues, it is not clear that there will be enough resources remaining to ensure that students receive a high-quality education, and that faculty and staff are being compensated fairly.

Finance Principle One: Priority of Quality Outcomes in Financial Cascade

The educational integrity and quality outcomes of students should be primary in determining the yearly financial allocation between UAGC and the University of Arizona. UArizona, in keeping

⁹ See Century Foundation Financial Analyses by Kolari Consulting [Initial Estimate](#).

¹⁰ Hill, Phil. [Updates on University of Arizona Global Campus Financial Terms](#), August 10, 2020. PhilOnEdBlog and McKenzie, Lindsay, [Unpacking the Arizona-Ashford Deal](#), Inside Higher Ed, September 15, 2020.

with its public mission, should ensure that monies are not drawn away from UAGC students' educational outcomes, and that UAGC has the resources needed to properly serve its students and meet key student outcome metrics.

This finance principle is consistent with superordinate principles #1 & #2, and with the full thrust of the November 11, 2020 WASC letter about "weak student outcomes" underscoring the ongoing Notice of Concern.

**Finance Principle Two:
Investment in Marketing for Academic Colleges' UAOnline Programs**

For those University of Arizona programs and colleges in which there is overlap with UAGC offerings, the size of Zovio's marketing budget creates a challenge. A mechanism to enhance financial support for UAArizona colleges' marketing of their UAOnline programs is important to reach distinct student market segments. GCSAC is concerned about confusing advertising and student expectations, but is wary of the possibility of a "marketing arms race" with UAGC.

This finance principle is consistent with superordinate principle #1.

Finance Principle Three: Financial and Enrollment Strategy Plan

Having worked through the initial logistics of ensuring the acquisition agreement, the SLT should work collaboratively in shared governance with elected faculty entities and academic college deans to develop a financial strategy action plan.

In GCSAC's conversations with Provost Folks and with Vice Provost of Online and Distance Education Craig Wilson, there was not a clear, developed financial plan or enrollment strategy in relation to UAOnline and UAGC. GCSAC recommends the development of a plan with costs, market surveys, realistic enrollment modeling at various levels, and assessment in relation to major competitors like Arizona State University, Grand Canyon University, and Southern New Hampshire University.

This finance principle is consistent with superordinate principles #1 & #4, as well as with the November 11, 2020 WASC letter, section 2.B.

Additional Recommendations

In addition to the principles articulated above, we further recommend that the SLT and the UAGC Board of Directors and Officers should:

1. Clarify the role of the Arizona Board of Regents in overseeing this and other affiliates of the University of Arizona
2. Form an advisory board of high-profile former military supervisors of US military academies to oversee veteran students' well being
3. Form a special advisory board of UA experts from programs that have historic success in underrepresented and nontraditional student outcomes
4. Address the [request from US Senators Brown and Durbin](#) to disallow the practice of “mandatory arbitration,” which forces students to give up their rights to sue or join a class action lawsuit to hold a school accountable in a court of law and ensure that similar practices are in place for faculty
5. Clarify the status of the Ashford Honors College which, based on comparative and National Collegiate Honors Council criteria, should be designated a “program” rather than a “college.”
6. Review Ashford faculty promotion and tenure processes to ensure that they are aligned with UArizona’s values and practices.
7. Share with the UArizona and UAGC stakeholders a strategic plan to improve faculty to student ratio
8. Review the workload and compensation structures for adjunct faculty
9. Share a detailed assessment of the range of revenue scenarios based on publicly available materials, like the Eller and Kolari analyses cited in this report
10. Share the estimates of current and future legal liabilities and their relationship to the \$1.00 asset sales price
11. Demonstrate that the financial allocations coming to UArizona will be invested in the UArizona programs that are consistent with our strategic growth plans.
12. Clarify the mechanisms for distributing any financial allocation coming to UArizona and for the participation by elected shared governance bodies in developing these mechanisms.
13. Clarify how the financial allocation coming to UArizona will pay for the efforts required by those at UArizona to engage with Ashford at the college and program level.

Appendices And Links To Public Documents

1. Appendix 1. List of Documents Requested by GCSAC from SLT

- a. The chair, membership, charge and authority of UArizona/UAGC overlap committee mentioned in "Heads Up" meeting on 9/15
- b. The unredacted sales contract
- c. The affiliation agreement between UArizona and UAGC
- d. The negotiators for each party in the affiliation agreement
- e. The licensing agreement on UArizona marks and the respective negotiating parties
- f. Department of Education Pre-acquisition Review materials and communications with UArizona
- g. List of purchased assets with valuations
- h. All materials shared with those who signed an NDA--PowerPoint presentation and any other materials.
- i. Zovio's "pitchbook" on Ashford
- j. The "pitchbook" UArizona used for getting ABOR signoff. (i.e., the presentation materials used to sell the deal).
- k. FY 2019 audited financials for both Zovio and Ashford University.
- l. A financial statement for Ashford University for 2020.
- m. A pro forma, preliminary financial statement for UAGC for 2021 that shows the cost structure of the newly formed institution
- n. 2020 UArizona CAFR or pre-audit materials
- o. 2020, 2019, 2018 audited financial statements of the Law College Association
- p. By-laws for UAGC (including provisions on governance)
- q. Identity and contact information of interim president of UAGC
- r. All outside financial advisers hired and/or consulted in the process, and their presentations/advice, hiring contracts
- s. Any outside counsel hired to negotiate the deal
- t. Any risk/benefit analyses done prior to the deal and any being done currently
- u. Any market surveys that were done prior to the deal and any being done now
- v. Any projections of Zovio's fees and expenses over the term of the Strategic Services Agreement
- w. Any projections or models of UAGC enrollments over the next 15 years by the firm referred to by Brent White to the Committee of 11, which modeled the Ashford deal,

- x. The name of the modeling firm and terms of hiring
- y. Information on Ashford student waivers of right to sue or be part of class action, or binding arbitration agreements
- z. contact information for Paul Pastorek

2. Appendix 2. References Provided to GCSAC by Dr. Deil-Amen

- Armona, L., Chakrabarti, R. & Lovenheim, M.F. (2020). *Student debt and default: The role of for-profit colleges* (Report No. 811). New York: Federal Reserve Bank of New York.
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- Campbell, C., & Deil-Amen, R. (2012). Role reversal in the college admissions process: How for-profits sell themselves. In *Paper presented at the ASHE Annual Conference, November* (Vol. 17).
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3. Links to Public Documents

[UAGC Articles of Incorporation and Amendments](#)

[Redacted Purchase, Strategic Services and Transition Agreements](#)

Century Foundation Legal Analyses “Implications of the Creation of the University of Arizona Global Campus” by Perlman and Perlman LLP: [10/07/20 Memo](#) and [11/13/2020 Anti Subsidy Clause Memo](#)

Kevin Miller, Century Foundation “[Analysis of Ashford Student Outcomes](#)” 10/06/2020

Century Foundation Legal Analyses by Perlman and Perlman, LLP: “[The Implications of the Creation of the University of ARizona Global Campus](#)” 10/07/2020 Memo and [The Implications of the Creation of the University of Arizona Global Campus Anti Subsidy Clause Memo 11/13/2020](#).

“Structural Change Commision Action Letter, Change of Control and Legal Status, November 2020,” (referred to as [WASC Letter, November 11, 2020](#) and available as pdf download towards the bottom of the page)

[Grand Canyon Institute Analysis](#) “University of Arizona Global Campus: Critical Legal and Ethical Issues for Consideration.” November 18, 2020. (Preliminary)