UArizona Opinion: Acquisition of Ashford University

Presented to the Arizona Board of Regents
on behalf of the University of Arizona
Faculty Senate

August 20, 2020

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Forward by Dr. Gary Rhoades

THE UNIVERSITY OF ARIZONA

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August 19, 2020

Dear Arizona Board of Regents members,

Please find attached the University of Arizona College of Education Ashford memo analyzing and making a recommendation about the acquisition. Co-authored with colleagues in the CoE, it has been signed by several hundred faculty, staff, and graduate students in the CoE and other colleges. On their behalf, and as a scholar who researches entrepreneurial higher education, as well as someone who has sat on the American Council on Education Board of Directors, I ask that you consider the memo as part of your deliberation on this matter.

The Arizona-Ashford-Zovio arrangement is a consequential matter for the University of Arizona. It is consequential as well for the efficacy of Dr. Robbins' presidency, given the overwhelming sentiment of the faculty against the deal. I do not say the latter lightly, or with pleasure, having lived through previous presidential upheavals in my 34 years at the University of Arizona.

The claim has been made to the campus community that this acquisition is a "done deal," because it has been signed. However, President Robbins is well aware (as I assume you all are) that subsequent steps must be taken with the Department of Education and the WASC Senior College and University Commission (the accrediting body of Ashford University and subsequently University of Arizona Global), before the deal comes to fruition. And every contract has an exit clause. Further, we believe there are as yet unconsidered implications of this action for the University's Higher Learning Commission accreditation visit in 2021.

Our request is that you proceed prudently, carefully considering the concerns that have been raised. Please accord them due deliberation, rather than participating in the rush to judgment in this arrangement. Its details and implementation are far from thought through, let alone worked out, even on the mbasic levels of doing market surveys and detailed risk/benefit analyses.

The attached memo has several sections, with an executive summary as the Introduction. Here, I lay out three key points and bullets.
(1) The acquisition is a bad business deal that violates The University of Arizona's public mission and responsibilities, particularly amidst a pandemic and recession.
* Essentially, the University is licensing its good name to a new/old entity to extract marginal annual revenues from it, with no investment in improving University of Arizona Global's performance in serving students. We are making money off them and providing no value.
* One would be hard pressed to find more problematic entities to associate with than Ashford University and Zovio, given the former's continuing declining enrollments, accreditation woes (a recent Notice of Concern), and a history of fines and settlements, plus a pending lawsuit.
* It makes no sense to be locked in to a 15 year arrangement with Zovio as an OPM, given its issues and the vast number of current and potential future competitors.
* Eller College faculty assessed the acquisition as "a lemon" that would be "catastrophic."

* The University of Arizona is already incurring costs in time, marketing, and brand protection, with threats by way of student confusion, compromising our enrollments, and hampering our ability to compete in quality online spaces.
* Little consideration has been given to liabilities from possible future lawsuits between the parties (different than indemnifying the University against lawsuits from students at Ashford—which hardly instills confidence in the quality of the services provided to students).

(2) The acquisition will not, as the administration claims, enhance access to high quality education for underserved/minority students. Quite the contrary. Ashford has a long, enduring record of failing to achieve improvements on low levels of student persistence and retention—the "Notice of Concern" from its accreditor is about this issue, and involves a special visit in 2021. It faces a lawsuit from California's Attorney General alleging fraudulent practices, including in marketing, lending, and loan collection, resulting in high student loan default rates. The targets of these practices? Vets, lower income and students of color. For example, as of August 2020, Ashford is #3 on the list of most complaints filed by vets with the VA. Acquiring Ashford is not so much serving students as it is merely extracting revenue from them, because we are investing no material or human resources in them as part of the deal.

(3) Part of due deliberation is consulting with stakeholders, including through shared governance with the institution's shared governance bodies (e.g., the Faculty Senate, the Strategic Planning and Budget Advisory Committee). That is the path to better decisions. Here, too, the claims of the practices followed fall far short of the spirit of such processes. Consider the administration's claims of wide consultation with nearly 200 people who signed NDAs. The people who signed those NDAs received neither sufficient information nor the detailed risk/benefit analyses merited by this sort of deal. They did not even get to learn the actual names of the companies. Basically, they were provided a Zoom Power Point presentation that was more sales pitch than balanced presentation of pros and cons, assets and liabilities, upsides and downsides. And, the considerable majority of those consulted either did not recommend or opposed the deal. That is not a recipe for or a promising path to a good decision.

For the above reasons and more, you will find in the memo that we adamantly oppose this deal as injurious to the University of Arizona. Thank you for consideration of these matters.

Yours sincerely,

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Survey Results

Distribution

To gather input from UArizona employees and key stakeholders who wanted to register their opinions upon learning of the Ashford University Acquisition, Faculty Senate created and disseminated a survey via Qualtrics for all UArizona faculty, staff, and graduate student employees. The survey was distributed to faculty listservs on August 18 and staff/graduate student listservs on August 19.

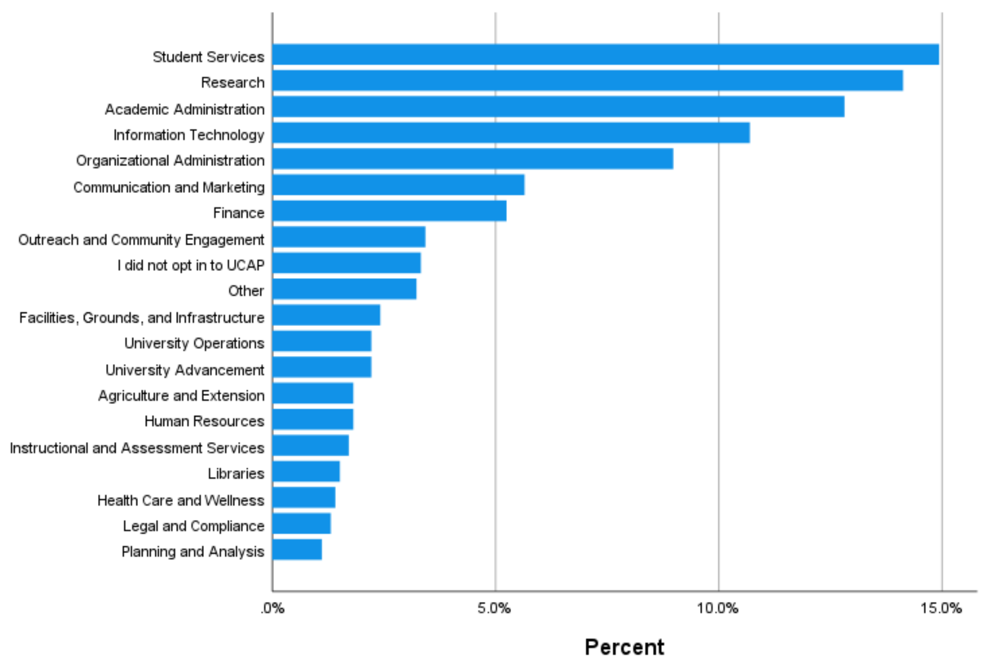
Survey Participants

The survey received 2,253 responses. A total of 1,074 respondents identified as faculty members (30% of the total faculty), 991 respondents identified as staff members (8% of the total staff), and 188 respondents identified as graduate students (10% of the total continuing graduate students).

Of faculty members surveyed, 31% were tenured, 8% tenure-track, 6% continuing or continuing status eligible, and 6% career track. Remaining faculty were characterized as clinical, research, lecturer, or other.

For staff survey participants, they were categorized using University Career Architecture Project (UCAP) classifications as displayed in Figure 1.

Figure 1. Number of Staff Participants in Survey by UCAP Category



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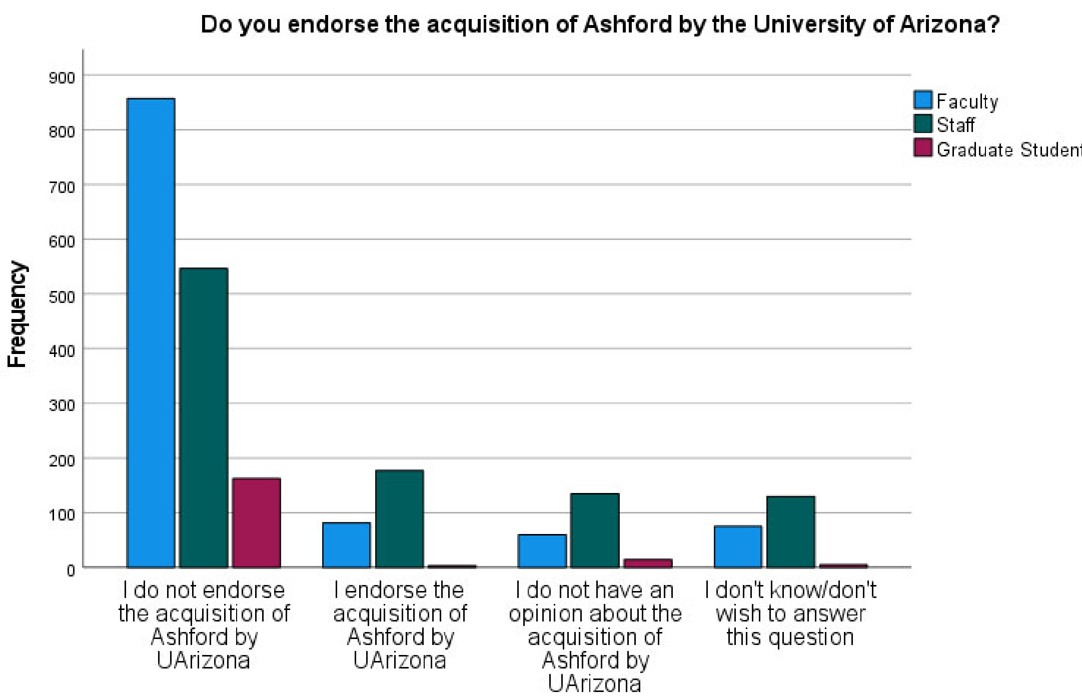
Faculty, Staff, and Student Perceptions

Several survey questions were designed to understand UArizona employees' perceptions of the Ashford Acquisition, as well as how the acquisition was handled and communicated to stakeholders.

Endorsement of Ashford Acquisition Plan

We asked employees "Do you endorse the purchase of Ashford University by the University of Arizona?" Among all subgroups, the most frequent choice was *I do not endorse the acquisition of Ashford by UArizona* (see Figure 2):

Figure 2. Endorsement of Ashford Acquisition



Rationale for Non-Endorsement

Relatedly, Faculty Senate asked employees to rate their satisfaction with how well the deal was handled *prior* to the purchase of Ashford University and how well the deal was communicated *after* the purchase had taken place. To this end, the survey asked employees "What is your opinion about how the Ashford deal was handled and communicated?" Most employees were *extremely dissatisfied* with the handling and communication from UArizona administration (see Figures 3 and 4).

Figure 3. Satisfaction with UArizona administrators' handling of the deal

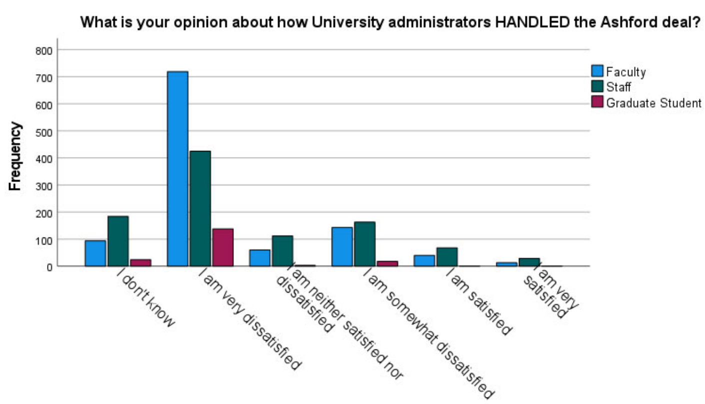
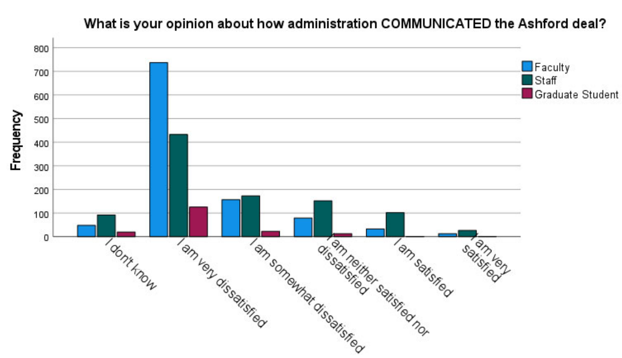


Figure 4. Satisfaction with UArizona administrators' communication of the deal



Moving Forward with Better Communication

Employees listed several pros and cons of purchasing an online university like Ashford (see Figures 5 & 6), and also made several suggestions for communication moving forward (Figure 7). The word "faculty" displays prominently in each word cloud, as an emphasis on faculty shared governance.

Figure 5. Pros or Benefits of Ashford Deal

Figure 6. Cons or Drawbacks to Ashford Deal

Figure 7. Recommendations to UArizona administration for future communications on Ashford acquisition

Shared Governance Recommendations

While several faculty members were asked to sign non-disclosure agreements and prompted to provide feedback on the Ashford purchase, this does not constitute a process of shared governance. Furthermore, the written feedback given by several groups of faculty, including the Strategic Planning and Budgetary Advisory Committee (SPBAC; Appendix B) and the Eller College Advisory Committee (Appendix C), found the deal to be problematic. A broken shared governance process forces employees to call on shared governance representatives to **dispute** leadership decisions rather than act as **advocates** for decisions made cooperatively. When nurtured and exercised productively, shared governance is a valuable institutional asset that can be readily leveraged effectively at all times, including in times of crisis.

At UArizona, specific instances in which shared governance should have been more strongly leveraged in accordance with [ARS 15-1601B] include:

> 1)The Strategic Planning and Budgetary Advisory Committee (SPBAC) should have been consulted prior to budget allocations were issued to colleges due to the reduction of Net Tuition Revenue caused by tuition discounts. The implications of the resulting budgetary effects should have also been brought to SPBAC and Faculty Senate prior to the announcement to colleges.
>
> 2) The proposed furlough plan announced on April,17 2020 should have been preceded by an engaged discussion with time for feedback from SPBAC, Faculty Senate, Appointed Professionals Advisory Council, Classified Staff Council, and Graduate and Professional Student Council.
>
> 3) The re-entry plan should have likely been developed by the Incident Command Structure Team with consultation in and with Faculty Senate, resulting in a post-hoc Senate resolution on re-entry criteria.

While shared governance does not extend to decision making, its principles stipulate that participatory action leading to decisions affecting stakeholders must take place in consultation with existing shared governance bodies (not individual members of these bodies). Consulting with particular faculty, students, or staff who have subject matter expertise may be of value, but does not constitute shared governance practice.

UArizona Faculty Senate proposes that these expectations for University leaders be accompanied by set of corresponding expectations for faculty and staff elected into shared governance positions, specifically including:

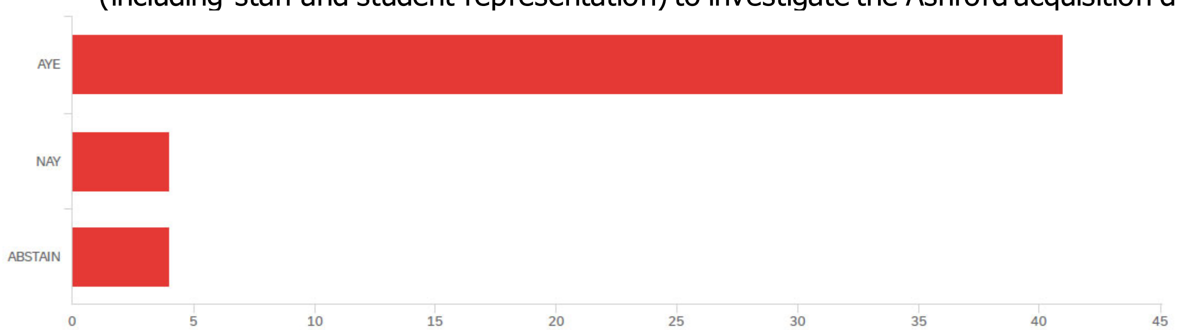
1. **Revision of the Memorandum of Understanding** between entities of shared governance, including university administrators, to encourage a healthy, functioning, and productive campus community. Specifically, revisions will focus on the critical need for consultation, checks and balances, and open dialogue as a function of respect for members of shared governance. This is an ongoing effort that will require the President's approval and review by the Office of the General Council.

2. **Re-Engagement of the Shared Governance Review Committee** to assess, evaluate, and report on the state of shared governance at the University of Arizona, with an expectation for specific recommendations towards improvement.

3. **Participation and Engagement of Elected Shared Governance Officials** in benchmark decisions regarding Ashford University. The University of Arizona Faculty Senate plans to employ a UA Global Senate Advisory Committee consisting of multiple stakeholders from shared governance (faculty, staff, graduate students) to review, evaluate, and assist with communication efforts moving forward. The UArizona Faculty Senate voted in favor of obtaining access to specific documents, and form such an ad hoc committee, at a recent Special Meeting of Faculty Senate on August 17, 2020:

"We call upon President Robbins to release immediately to the Faculty Senate and C11 as the appropriate shared governance bodies under ARS 15-1601B:

1. all documentation of the Ashford acquisition (the "Purchase," "Strategic Services," "Transition Services" Agreements and inventories of assets and liabilities changing hands, and any preacquisition review correspondence with the U.S. Department of education referred to or implied in Zovio's August 1, 2020 8-K SEC Filing.pdf);"
2. all documentation clarifying the terms of affiliation, governance, accreditation and fee structure relationships of all University of Arizona and University of Arizona Global Campus entities involved in the transaction, including with the Arizona Board of Regents and the Higher Learning Commission;
3. all documentation of due diligence performed by the University of Arizona administration in 2019 and 2020, including Ashford/Zovio legal liabilities, faculty and student working and learning conditions, financial projections, allegations of predatory recruitment, fraudulent marketing, aggressive or illegal debt collection, curricular overlap, competition with UArizona programs, and the process of consultation under Nondisclosure Agreements and the results of those consultations.
4. We further support the formation of an ad hoc committee of the General Faculty (including staff and student representation) to investigate the Ashford acquisition deal."



Appendices

Appendix A. Ashford Acquisition Memo written by Dr. Gary Rhoades, Professor of Higher Education, University of Arizona

August 7, 2020

MEMORANDUM

TO: President Robert Robbins, Provost Liesl Folks, Vice-Provost Brent White, Dean Bruce Johnson, and Larry Penley, Arizona Board of Regents Chair

FROM: College of Education faculty, staff, and graduate students (see names appended below, and be aware that email requests to sign the memo/petition continue to come in)

RE: Ashford acquisition

I. INTRODUCTION & SUMMARY (pp. 1-3)

Very early on August 3rd at 3:14 a.m., President Robbins emailed an announcement to the campus community with the subject line, University of Arizona Global Campus. Note that this was just a few hours before the Q2 2020 Zovio Earnings Conference Call (with stockholders), scheduled at 8 a.m. ET, on Monday of that same day. For the overwhelming majority of campus employees, it was the first time they had heard of any such arrangement being contemplated and discussed. Even for those 200 or so employees (according to the President) who had been required to sign Non-Disclosure Agreements (NDAs) in order to enter into the discussions, the announcement was a surprise. We are discovering that a significant number of those employees recommended against the deal. So, too, we, as members of the College of Education community have now learned that those members of the College of Education Leadership Council (Deans and Heads) who signed the NDAs and witnessed a PowerPoint presentation on Zoom had very strong reservations and opposed the deal, for a variety of reasons. Below, we the undersigned members of the College of Education Community, consisting of faculty, staff, and graduate students, some signing anonymously, share those deep concerns and more, which we organize into a discussion of three areas, briefly summarized in this first section of the memo. We submit those deep concerns to you for your consideration, to the end of delaying any final closing of the deal pending full and open discussion and deliberation and decision making through the appropriate shared governance entities (SPBAC, Faculty Senate, and College governance bodies) with the campus community to, in our view, the likely and hoped for end of stopping the arrangement which we and many others will cause deep harm to the university.

To summarize our position and the purpose of this memorandum, we are outraged by: a decision and acquisition the content of which run contrary to our mission as a public, land grant university that is a Hispanic Serving Institution; a decision that seems to have been taken without sufficient due diligence and good faith in analyzing, pursuing, and presenting this acquisition possibility in terms of whether it is a good business deal; the attempt to justify this deal as enhancing the university's diversity and provision of opportunity in accordance with its mission; & the process undertaken in coming to and attempting to promote this decision, with total disregard of shared governance processes and entities that are so central to good decision-making and to preventing bad decisions. We ground these objections to the arrangement in relation to accreditation standards of the Higher Learning Commission, the mission, values, Strategic Plan, and MOU of the University of Arizona (and the CoE's strategic plan, mission, values, and culture), and research on the issues at hand. We are adamantly and strenuously opposed to the University of Arizona proceeding any further with the Arizona-Ashford-Zovio arrangement.

In his August 3 email, President Robbins led by invoking the benefits of the acquisition in relation to diversity and access as part of the University of Arizona's land grant mission, and then pointed to the financial benefits of the deal to our university. However, as we shall detail, it is our strong view that the central administration leadership team failed in its responsibility to do sufficient due diligence in examining the potential advantages and disadvantages of the proposed arrangement as it relates to our mission and to our finances more narrowly. It is as if they are accountants who can only see credits, not debits, who address only assets, not liabilities. In our view, building on the letter provided by the Eller College faculty on this issue, we strongly believe that the proposed arrangement carries unconsidered liabilities compromising our public mission, academic programs, reputation, and if you will, our "brand."

The central administration has failed to seriously address these downsides to the deal, and has ignored strong expressions of concern and analyses of how the deal was in the Eller faculty's words, "antithetical" to our university's mission, that it was a "lemon," and that it would be "catastrophic" for the University of Arizona. We believe the senior leadership has failed to meet the Higher Learning Commission (the accrediting body for the University of Arizona) standards of Mission, Integrity, and Institutional Effectiveness, as well as to uphold the University of Arizona Strategic plan's value of integrity, and pillars (5.1A & 5.1B) of "our best work environment" and "our core values." Moreover, in his email about University of Arizona Global Campus, President Robbins pointed to the "numerous benefits" that Global Campus will provide for the University of Arizona. The first two were Diversity and Access. On the former, he wrote, "Global Campus will serve a diverse body of students, in accord with the growing diversity of our campus and of the United States." It is telling, we believe, that he failed to mention in relation to diversity, the Hispanic Serving Institution status of the University of Arizona, relatively recently obtained, and the broader commitments that should entail, an omission replicated in the linked "FAQs." In relation to "access" and "benefits," Robbins wrote of Global Campus benefitting the University of Arizona in "delivering on the promise of land grant access and quality education." As we detail below, Ashford's record reveals longstanding, enduring failures to improve on student persistence and retention, despite performance on those metrics already being very low. So, too, Ashford faces a "Notice of Concern" from its accrediting body about precisely these problems. Also, it faces a lawsuit from the state of California regarding alleged fraudulent practices, ranging from marketing to lending to loan collection. As we shall indicate, acquiring an institution that is a revolving door of debt accumulation, non-completion, default on debt with longstanding adverse economic consequences, and foregone opportunities and earnings cannot in good faith be called "delivering on the promise of land grant access and quality education."

Further, in his August 3 email about University of Arizona Global Campus, President Robbins indicated that: The decision to acquire Ashford University through University of Arizona Global Campus was reached after a robust and extensive discussion in which the advantages and disadvantages were weighed with varied input from more than 200 faculty members, staff and others across our campus, as well as through discussions with the Arizona Board of Regents. Further information about the University of Arizona Global Campus will be shared in town halls over the next couple of months. We also have answered additional questions in an FAQs document.

As we shall detail below, those claims are misleading at best and deceptive at worst. The process that was followed by the central administration in regard to Ashford failed to meet minimal standards in the practice of shared governance, a core value embedded in the accreditation criteria of the Higher Learning Commission (5.A.1), as well as in a University of Arizona shared governance Memorandum of Agreement signed by President Robbins in both 2018 (see also the revised MOU passed in the Senate in 2019). It also violated Arizona Revised Statute ARS 15- 1601B on shared governance. By failing to follow meaningful shared governance, the central administration has unnecessarily exposed the university to the adverse effects of a profoundly problematic initiative that is already compromising the institution's image.

II. INSTITUTIONAL INTEGRITY & MISSION: Maintaining mission and effectiveness

In emphasizing the "financial benefits" of the Arizona-Ashford-Zovio arrangement, consistent with and serving the public land grant mission of the University of Arizona, President Robbins presents a very one-sided, even business-naïve view of the assets and liabilities involved in the deal. Moreover, as we will discuss in closing this section, as a lead-in to the following section on Diversity, the arrangement in fact compromises and runs directly contrary to our institutional identity and core academic and educational missions.

The liabilities of the announced arrangement are manifold. They start with affiliating with an institution that has been experiencing ongoing serious enrollment decline, lawsuits and settlements, and accreditation woes. The fact that President Robbins, in his email announcement and in the FAQs points to Ashford's "favorable re-accreditation" by the WSCUC, which also accredits the California State University system and the University of California, is distorted in what it does not tell the University of Arizona community. In fact, Ashford received a "Notice of Concern," requiring a follow-up visit as a 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." Institutions on "Notice of Concern" status have four years to resolve WASC's concerns or face sanctions, like loss of accreditation. But in the case of Ashford's Notice of Concern, it will be required to schedule an Interim Report November 1, 2020, and to schedule "a Special Visit in fall 2021 to address issues described below." In listing the steps that must be taken, the July 12, 2019 letter from WASC indicates that: The Formal Notice of Concern is being issued due to the Commission's longstanding concerns regarding Ashford University's student persistence and completion rates and performance on other student success metrics. The University is in danger of being found out of compliance with Standard 2 unless significant improvements are realized in the near future.

Such a notice, and the attendant language, cannot be read as anything other than a huge red flag, not least because the issues are explicitly identified as being long standing. That is vitally important information for the University of Arizona community, bearing directly on this acquisition. By failing to inform the community of this key information and by explicitly claiming that the re-accreditation was a favorable one demonstrates a disturbing lack of not just transparency but also of what the HLC defines as Integrity. Integrity, defined as follows, is a key standard in the HLC standards.
2.B. The institution presents itself clearly and completely to its students and to the public.
1. The institution ensures the accuracy of any representations it makes regarding academic offerings, requirements, faculty and staff, costs to students, governance structure and accreditation relationships.
2. The institution ensures evidence is available to support any claims it makes regarding its contributions to the educational experience through research, community engagement, experiential learning, religious or spiritual purpose and economic development.
The accreditation story and history of Ashford raise even more red flags. Up until 2013, Ashford was accredited by the HLC. In 2012, it tried to switch to WASC, apparently in part because of the stricter regulations and decisions of the HLC at the time regarding proposed takeovers of not-for-profit colleges by for-profit entities (Lederman, 2010). That bid was rejected, due to several factors, including that, "Ashford fell short in several broad areas, according to the association, including its lack of a 'sufficient core' of full-time faculty members, large numbers of students who drop out and questionable academic rigor in some areas." (Fain, 2012) Moreover, "They also singled out Ashford's emphasis on boosting enrollment versus investment in academics." (Fain, 2012) It appears that Ashford was more focused on generating enrollments and tuition than on educating, completing, and placing students. The following year, Ashford did gain accreditation with WASC, which should convey something about the very minimal standards required for accreditation. This is not a checkered history, it is a history of repeated red flags. Another piece of very important information necessary for due diligence that the President and FAQs failed to mention is the pending lawsuit against Ashford by the Attorney General of California.

The state has accused the online-only school of misleading students about its tuition costs, burying them in student loan debt and offering little of value in return. [A]ccording to the Chronicle of Higher Education, which published an investigation of the university earlier this month. It called the school "a poster child for the ills of the for-profit college sector." Becerra described Ashford as a "nightmare" for students. It is "an institution that professed to provide higher education but was making a ton of money instead," he said (Phillips, 2017).

Moreover, the targets of this for-profit make their practices even more egregious.
The university targeted low-income students, minorities, and students who were the first in their families to go to college, according to the lawsuit. Recruiting veterans was also central to the university's strategy. Students who get tuition assistance from the GI Bill and other military programs make up about a quarter of its enrollment, the Chronicle said

(Phillips, 2017).

Were the above red flags not enough to chase off potential investors, it also seems that political intervention at two relatively recent points in time have bailed out Ashford. In 2017, at precisely the same time California was taking Ashford to court for alleged defrauding of veterans for their GI Bill benefits, politicians in Arizona allegedly responded in this way: Ashford University's future was hanging in the balance. The for-profit institution risked losing access to tens of millions of dollars in GI Bill funds. Over the summer, its lobbyists were scrambling.

Encouragement came in the form of an email from Dawn Wallace, an education-policy adviser to Arizona's governor, Doug Ducey. "How can we help?" she wrote (Vasquez, 2017).
At the time, Ashford was also in danger of losing approval from Veteran's Affairs for receiving veterans' GI Bill benefits. And it was looking for a state veteran's agency that would not hold any of the above, or other matters against them. This is particularly disturbing to us given that the University of Arizona has a substantial vet population, a point that we speak to below in discussing diversity.

Another source of political support even more recently was a decision by Secretary of Education DeVos that was phrased and framed in terms of the following question by a reporter: "Did the U.S. Department of Education put a thumb on the scale to help pave the way for the deal?"

In 2019, when Zovio first sought approval to spin off Ashford as a separate nonprofit, the department said that as a new independent college it would have to post a $100-million letter of credit — the equivalent of 25 percent of the federal student aid that goes to the institution annually. Such letters of credit are intended to protect taxpayers' interest. On July 7, the department lifted that requirement. Arizona officials said they had no input on that decision (Blumenstyk, 2020).

Again, no information about these key issues were provided in the President's email or in the FAQs. And it does not appear that those individuals who signed NDAs to participate in viewing a PowerPoint presentation were apprised of any of this information.
Moving strictly to business matters and programmatic considerations, the Eller College letter further suggests that the Arizona-Ashford-Zovio deal is deeply flawed. The Eller letter characterized the deal as a "lemon," and as "catastrophic." Several considerations led to that assessment. One of the liabilities was reputational: Rather than place the University of Arizona as one of the leading high-quality online degrees, it will, in fact, do the opposite by allowing our partner to steal our market share, mislead our students, and impede our ability to compete in the high-quality online space now and in the future.

In addition to that cost in terms of students, the Eller faculty also identified costs in relation to relationships and trust of donors, and to losing/attracting faculty. Moreover, through Google, Eller faculty found that, "enrollment at Antelope University has dropped by an average of 10.54% per year over the past seven years." That does little to inspire confidence about the future. Programmatically, the President has indicated that there is relatively little overlap in academic programs. Yet, there are important exceptions to that, which could generate time, energy, and costs of protecting the Eller brand which might be confused with similarly named programs at Ashford. The best example of this is the online MBA, which both institutions have.

How does the partnership affect our own brand, and what costs do we incur trying to ensure brand clarity for students/public? Although at this point, we are not clear on whether there are programs in Education at Ashford that could be confused with ours, we don't have sufficient information to make that assessment. Eller has an online MBA (and an evening/weekend one), which has really gained strength and reputation in the last several years. It is ranked #7 now in US News, and #6 for online MBAs for vets. It has multiple start dates, like Ashford. The deal is incredibly counterproductive for Eller, and it will be costly to minimize the reputational damage and student confusion, which are critical in a highly competitive marketplace. We have concerns that similar problems could arise with CoE online degrees, such as in the EdD and the MA programs in Educational Leadership and Policy.

It is hard, then, to imagine a less desirable partner in a venture than Ashford. Everything about it says, buyer beware. Everything about the process of the central administration not engaging in due diligence, or at least in not sharing information about liabilities that would come
from such due diligence raises issues of Integrity according to the HLC definition. It violates the University's strategic plan pillars 5.1A and 5.1B, giving us a sense that our input is not valued, that sufficient care is not being devoted to truly deliberating about decisions, that decisions have been made prior to any discussions outside the inner circle—that from that point on there is not
so much "discussion" as there are efforts by the central administration to pitch their plan. Rather than due diligence, which has not been demonstrated at any point, the central administration appears to have undertaken a rushed, truncated process to seal a deal they seem already to have decided upon. It seems that they are rushing to close a deal just after an Interim Report is being filed for WASC November 1, and before the Special Visit in 2021, as well as before a pending lawsuit is resolved. That is in no way prudent. We certainly understand the desire to generate additional revenues on the margins during a pandemic/recession. We also understand the pursuit of various revenue possibilities. However, the actions of the central administration are suggestive not of carefully reasoned exploration and deliberations about such possibilities, but of a rush to judgment that puts the university at undue risk.

As one more consideration in regard to institutional effectiveness, due diligence, and institutional mission, we believe, consistent with the Eller faculty letter, that the Arizona-Ashford-Zovio arrangement compromises our mission, in ways that seem to have been unconsidered by the central administration. In the words of the Eller letter,
We also believe that partnering with a declining, for-profit university is antithetical to the mission of our University, and will be see as such by faculty, both in Arizona and beyond. We believe this partnership will weaken our academic credibility and potentially affect the University's accreditation.

We agree. It is clear to us that a range of educational and programmatic matters have not been addressed in this process, with the messaging being simply that there is little overlap in the programs of Ashford and the University of Arizona. Clearly, though, due diligence is lacking here in that as will be discussed later, faculty in the shared governance structures overseeing strategy and academic matters were not afforded the opportunity to look through the programs and materials of Ashford and Zovio. Such oversights are at the core of HLC standards with regard to mission, in terms of what should take primacy in institutional decision making.

1.B. The institution's mission demonstrates commitment to the public good.
1. The institution's actions and decisions demonstrate that its educational role is to serve the public, not solely the institution or any superordinate entity.
2. The institution's educational responsibilities take primacy over other purposes, such as generating financial returns for investors, contributing to a related or parent organization, or supporting external interests.

It is clear that short-term, marginal financial considerations are driving this decision, not educational ones, and not ones that serve the public, apropos of our mission. That logic of decision making seems very much more like that of Ashford and Zovio than the logic that should be driving and foregrounded in deliberations of a public land grant, HSI research university.

III. DIVERSITY: Integrity and the university's mission and values
For us, words matter. Social justice matters. And it matters not just materially, but affectively and in the lived experiences of our students, staff, and faculty, and of the communities in which we are situated and that we serve. As indicated in opening this memo, President Robbins foregrounded as "benefits" to the University of Arizona of acquiring Ashford, "diversity" and "access." It is more than difficult to reconcile those claims with the past and ongoing record of Ashford and Zovio, the latter of which provides Ashford (and soon, University of Arizona Global Campus) a range of services, and will continue to do so. Indeed, contrary to President Robbins' claims about the venture serving the University of Arizona's public, land-grant mission of providing access to quality education for diverse populations, Ashford has demonstrated on multiple scores that it is not up to, and indeed works quite contrary to those goals.
The preamble to the College of Education's strategic plan reads: In the beautiful desert setting of Tucson, Arizona, on the traditional homeland of the Tohono O'odham people, we know how education can transform lives. We believe in the power of education, and our commitment extends to the people and communities we serve.

The CoE is committed to diversity and social justice in its various representations and constructions with students, staff and faculty, as well as with the communities we serve. We offer personalized support to each one of our students, with particular attention to underserved and marginalized students, to ensure that our graduation rate is high, on time, and without undue financial stress. Social justice also translates into action by recruiting and retaining the most knowledgeable, qualified, and caring professional faculty and staff that understand that CoE accomplishes a fundamental role of striving for an equitable, fair, and peaceful world through our teaching, research, and outreach. Further, it involves connecting with and serving local and marginalized BIPOC and international communities in mutually collaborative and beneficial ways. Ashford has not lived up to those commitments that we hold as core to the University of Arizona's expressed commitment in its strategic plan to inclusion and integrity.
Thus, we concur with bullets of the CoE Leadership Team shared with the SLT, in response to the presentations they received in June:

* In our college, we are very committed to increasing access to minoritized and first generations
students. We have specific efforts underway to do that, and we are having some success. So at first glance, the idea of reaching a large group of such students is appealing. But to do that

through lower-quality, non-research-based programs largely taught by adjuncts is not how we should be doing this. We will be much better off working closely with community colleges, particularly those in Arizona and our region that are minority-serving institutions.

* Overall, this seems to be a way to bring in some cash at the expense of underserved students who go deep into debt, on the backs of adjunct faculty. That does not fit with the mission of a research I, public, Hispanic serving, land grant university. And it is why we foreground issues raised by scholars in this areas like Professor Regina Deil-Amen, whose ideas were volunteered to the SLT, work like her new manuscript with two students, one of whom was an admissions representative in a for-profit university for six months, entitled "Capitalizing on Fear and Failure:

For-Profit Colleges Selling Themselves to the Poor." It looks into the deeply problematic recruitment and admissions processes for low-SES and low-achieving students. The title captures the findings, and our collective perspective on the Arizona-Ashford-Zovio arrangement.

For us, "diversity" is not a word to be used lightly, particularly when it is violated by the actions of the entities involved. It is not a word to be invoked in conjunction with the behavioral history that Ashford University has. For instance, it is most definitely NOT serving diversity and opportunity for an institution to be engaged in practices that in the words of a Chronicle of Higher Education investigative report are described as, "a poster child for the ills of the for-profit college sector" (Vasquez, 2017). The point is not simply that Ashford is a for-profit university, but that it is alleged to represent the worst of that sector in its exploitation of students, who are disproportionately students of color, vets, lower income, and returning/mature students.
It is NOT serving students of color (or vets or returning students) for a university to engage in alleged fraudulent practices in marketing, predatory lending and collection practices. That is the claim of a lawsuit by the Attorney General of California that is pending. Again, that lawsuit claims Ashford has been defrauding low income and students of color and vets in marketing, predatory lending and loan collecting practices, and more.

It is NOT serving students of color (as well as vets and returning/mature students) for an institution to be apparently more a tuition mill than a diploma mill, with retention and graduation rates that are so low, and that have been so low for many years, that in the 2019 reaffirmation of accreditation, WASC provided Ashford (as discussed above) with a Notice of Concern. One focal point of that notice was precisely Ashford's low persistence and graduation rates at various degree levels. The entire business model of the enterprise is to focus resources more on marketing than on education, with adverse effects in both regards for students, who deserve better, from them and from us.

Further, it is NOT serving students of color (and vets and returning students) for an institution to have high loan debt and default rates, emblematic of the for-profit higher education sector. That constitutes an extraction of monies from students, an exploitation of students, not a serving of underserved students and providing them with opportunity. Again, that is at the heart of the business model, and will continue as Zovio will continue to provide services and siphon revenues from Ashford. Those services underlie and are underwritten by precisely the sorts of business practices that Ashford has been sanctioned for and for which it is being sued. Such practices are not only inconsistent with the mission of a public land grant university, and the spirit of a Hispanic Serving Institution, they violate the fundamental core values that we adhere to and that this university publicly espouses. The designation of HSI should be more than wording. It should be a culture of commitment to not just enrolling, but meaningfully serving in culturally relevant ways Latinx students. It should embody "servingness" (Garcia, 2019). It should also be a culture of meaningfully serving not just Latinx students, but also enhancing of Latinx populations and communities, an interpretation that involves particular responsibilities for a public university, and a public land grant university. Much the same and more holds true regarding more meaningfully serving more Indigenous students (and communities, especially the sovereign Nations), whose percentages and experiences are far too small and far too problematic particularly given that our "land grant" (what some have called "land grab") university occupies tribal lands (Nash, 2019).

President Robbins pitches the Arizona-Ashford-Zovio acquisition as a deal that will contribute to the University of Arizona's diversity and increase access of underserved populations. But, in reality this is a sad combination of racial capitalism (Leong, 2013), of capitalizing on and monetizing "diversity" and of academic capitalism (Slaughter & Rhoades, 2004), in which the logics of the private sector marketplace drive universities to prioritize potential increases in marginal revenues over educational quality, public responsibilities, public purposes, and public goods that benefit the community, state, and society. Invocations of diversity are often largely about serving the institutions' image and coffers. They are "cosmetic," surface diversity (Ford & Patterson, 2019). In our case, that evidenced in President Robbins' email that detail "benefits" that are essentially about marginal financial gains for the university, which we must add will be made on the backs of marginalized students and communities. By way of diversity, we map out three student populations in particular about which we are concerned. Consider the 6,934 military and veteran connected students using VA Educational benefits at Ashford University, and their $26,134,730 of guaranteed VA funding they brought with them to Ashford this last year alone. Active military/vets are an overlooked, overexploited, and under-consulted population. As discussed above, currently Ashford University is being sued by the State of California. Part of the lawsuit is specific to the treatment of the military and veteran population. Ashford university is at risk of not being allowed to receive VA Educational Benefits moving forward, and it appears that Ashford University may not be complying with their own Department of Defense MOU. As of March 2020, Ashford University ranked 11th out of 23,459 schools in the number of complaints students filed with the Department of Veterans Affairs (VA). As of the most recent data released by the VA (August 2020) Ashford "moved up" to number three on the list of complaints filed. That runs directly contrary to the goals of the University of Arizona, and represents a liability to the university.

The current practices employed at Ashford University, and the negative reputation Ashford has earned in the military and veteran community, represent an apparently unconsidered material risk to the reputation of the University of Arizona. For President Robbins and ABOR to rely on the parent company to all of a sudden change its culture and get it right suggests a lack of understanding of organizational change, of the strength of organizational culture, as well as the fact that we will have no control over the parent company which provides support services to Ashford, and will continue to do so. At risk is the future of the 6,934 military and veteran connected students at Ashford and those who follow.

Potential liabilities and exposure also exist for the University of Arizona. One is a loss of confidence from our own military and veteran population (3800 strong) of which 1437 use VA educational benefits at the tune of $13,826,268.76 in the form of guaranteed federal funds to the university. Also, at risk are our own programs being approved by either the State Approving Agency or the VA (depending on how this comes together) as well as our own DoD MOU. Again, these liabilities seem to have been unconsidered. Turning now to another student population, we have grave concerns regarding how the acquisition of Ashford University may impact the recruiting practices of the University of Arizona. Research by Dr. Karina Salazar suggests that public research universities already devote a far greater share of enrollment management energies on recruiting out-of-state, affluent, White students and a lesser share on recruiting local, low-income, students of color. Recent concerns expressed to President Robbins by the Sunnyside Unified School District suggest that UA recruiting efforts corroborate these findings. Some changes are beginning to be made. But the acquisition of Ashford University, and how that is framed by President Robbins may lead the University of Arizona to limit or reduce the already insufficient recruiting efforts focused on increasing the number of local, low-income, Black, Indigenous, and Latinx students into the University of Arizona. Worse, socioeconomic and racial disparities in recruiting efforts may be exacerbated by local students being steered into University of Arizona Global Campus, that has substantially less educational quality and benefit than the University of Arizona.

The lawsuits and government investigations against Ashford University speak to predatory recruiting tactics used by many for-profit colleges to capitalize on the anxiety, fear, and stress experienced by first-generation, low-income, students of color during the college search process. Other higher education research suggests that local, low-income, Latinx communities become target markets (Dache-Gerbino, Kiyama, & Sapp, 2018) for exploitative marketing and recruiting exhortations by for-profit colleges that implore students to enroll in order to achieve their educational goals and change their lives (Cottom, 2017). This is particularly concerning as local, low-income, Latinx communities, like those served by Sunnyside Unified School District and other districts surrounding the University of Arizona, are made up of prospective student populations that are particularly affected by which colleges and universities take the time to reach out to them and make them feel wanted (Holland, 2019). Thus, we strongly believe that the acquisition of Ashford University is antithetical to efforts outlined in the comprehensive partnership formed with Sunnyside Unified School District to better recruit and serve local students.

The third student population we explore is international students. The deal between the University of Arizona, Ashford, and Zovio is also problematic for the university's international students and internationalization plan. It once again casts them in terms of being "markets" that the university says it wants to serve, but that students know reflects more than anything else a pursuit of marginal revenues more than a meeting of their needs. The same recruiting concerns about Ashford's domestic practices will now extend globally, but with even less oversight. As for internationalization, just a few months ago, the University of Arizona announced the creation

of a Global Campus that has little to do with this new entity that will have the same name. This is generating confusion both at the interior of the university, but most importantly, with our international partners. There is ample risk that our marketing outside the U.S. will be tempted to
leverage the use of University of Arizona's name to recruit international students towards this new entity, essentially brands the academic programs as one. But more than that, we believe that it is misleading to call this new entity "global," as currently its students and scope are not global. Again, words matter. The use of University of Arizona Global Campus diminishes the meaning and experience and possibilities of internationalization. The global locations recently announced prior to this deal were created to offer current and prospective students the opportunity to begin or continue with their University of Arizona degrees from virtually "everywhere" for cases when students are not able to come to Tucson due to current and future
pandemic-related or immigration restrictions. Now, it seems quite possible that the university will use these locations and the new entity to steer students into the online degrees currently offered by Ashford under the misleading marketing that they are the University of Arizona, shortchanging both those students and our own programs. The relationships to establish those partnerships rely on many years of international cooperation and trust among faculty and staff for our institution and our partners. That trust is being compromised with this deal. Working in this way with Ashford and Zovio comes with huge reputational risks for our current university partners as well. If this deal fails to deliver the type of quality attached to our institution's rich history, then the reputational loss will probably be greater internationally than what it will be domestically given that this entity will after all be THE UArizona Global Campus.

On the topic of diversity, we also want to address the behaviors of President Robbins and those who report to him in relation to BIPOC students, in ways that render his communication about the importance of diversity deeply problematic. When such words are not matched, and indeed are violated by behaviors, they are not received well by and do harm to students, staff, and faculty of marginalized populations.

In the last two years, consider the following racial incidents that have generated intense concern among and adverse effects on Latinx, Black, and Indigenous students (and staff and faculty). In the Spring of 2019, Latinx students protesting the presence of ICE on campus were criminalized by UAPD. The President did not intervene at the time or subsequently to remedy the situation, and "Campus Conversations" that were held did little to ameliorate or remedy the situation. In the Fall 2019 semester, an African American student was assaulted physically and verbally with racial epithets by two White students, but the initial response of UAPD to this hate crime was to identify the assault as "a bias related incident." Black student groups on campus found the President's response to be delayed and inadequate, including in his failure to hold officers and UAPD accountable for their actions. Later in the Fall of 2019, President Robbins, when introduced to a group of Native American students from a service learning class, Native SOAR, informed them that he knew he was one of them because he has "high cheekbones." Although he later apologized in an open forum in the Native American Student Affairs Office, when the students asked for him to move #Beyondanapology, the President passed the situation on to the Provost to resolve. Provost Folks then herself deeply offended the two graduate student leaders of the service learning program by informing them that the university invested far more in Native American students that it could even hope to get back in return, which is demonstrably untrue for many reasons, not least due to the $116M of ongoing externally funded research on tribal lands. That led the students to social media post by a group from the class, VOICES (Voices of Indigenous Concerns in Education) entitled, "from cheekbones to charity," decrying the Senior Leadership Team's behavior. Actions matter. So do words. The adverse impact of both on the lived experiences and deep emotions and exhaustion felt by BIPOC students is an important context for understanding the raw effects of President Robbins' words on not just students, but also on staff and faculty of marginalized populations.

The language President Robbins and University Marketing & Communications have used to share this decision has not only rung hollow to communities of color, but also points to the wide divide between upper level administrators who are making market-based decisions and the marginalized populations about whom they are suggesting they care. Similarly, the statements regarding the acquisition of Ashford University as being "innovative," enhancing the University "mission as a land-grant institution focused on student success," and as a means to "serve underrepresented or non-traditional students" are more than just words/phrases/claims that do not ring true for many students, staff, and faculty from marginalized populations. They are, as Ahmed (2012) noted, non-performative statements, in that they fail to do what they espouse.

Such statements actually tear marginalized populations further away from the University, giving them even less a sense of care. Non-performative statements like the most recent statements regarding Ashford University value clichéd claims over material demonstrations of commitment to those whom we as educators in the College of Education serve on a daily basis. These statements are a poorly drafted template, effecting harm rather than expressing care (Squire, Nicolazzo, & Perez, 2019). The marginalized populations named in these statements receive them as inconsistent with behavior and as untrue. What makes these statements even more tangibly harmful is that the Arizona-Ashford-Zovio arrangement, contrary to President Robbins' claims, is being made at the cost of those who are most on the margins, who now will be subjected to the University of Arizona helping to sponsor with our name the ongoing problematic practices of Zovio through Ashford (Cottom, 2017). It is little wonder that many in our community feel their humanity being excavated and stripped for institutional profit (Nicolazzo, In review). Such sentiments represent a real, substantial cost to the university. In short, then, the Arizona-Ashford-Zovio arrangement cannot in good faith be claimed to "be delivering on the promise of land grant access and quality education." It is rather, a deal that violates the core values of who we are and want to be, and does so without concern for our
community, particularly for those from marginalized populations.

IV. SHARED GOVERNANCE: Integrity in decision-making processes for effectiveness

Meaningful shared governance is one of the core values of higher education, at the center of ensuring good decision making in the academy. It is explicitly embedded in the accreditation standards of the HLC under the heading, "Institutional effectiveness."
Institutional effectiveness

5.A. Through its administrative structures and collaborative processes, the institution's leadership demonstrates that it is effective and enables the institution to fulfill its mission.
1. Shared governance at the institution engages its internal constituencies—including its governing board, administration, faculty, staff and students—through planning, policies and procedures.

2. The institution's administration uses data to reach informed decisions in the best interests of the institution and its constituents.
3. The institution's administration ensures that faculty and, when appropriate, staff and students are involved in setting academic requirements, policy and processes through effective collaborative structures.

Those standards speak to the importance of such decision making to be informed by data. Moreover, shared governance is embedded in state law in Arizona, in Arizona Revised Statute, 15—1601B, passed on June 24, 1992, which reads:
The Universities shall have colleges, schools and departments and give courses of study and academic degrees as the Board (of Regents) approves. Subject to the responsibilities and powers of the Board and the University Presidents, the faculty members of the Universities, through their elected faculty representatives, shall share responsibility for academic and education activities and matters related to faculty personnel. The faculty members of each University, through their elected faculty representatives, shall participate in the governance of their respective Universities and shall actively participate in the development of University policy.

Even more specifically, shared governance is defined in the University of Arizona's Faculty Senate site and a Memoranda of Understanding signed by President Robbins in 2018, and a revised MOU passed by the Senate in 2019. Those MOU's are clear about what is required. Most importantly they emphasize the central significance at the university level of the Faculty Senate as a body, and the Strategic Planning and Budget Advisory Committee to the President and President's Cabinet, as a body.

The overarching shared governance groups, and the ones referred to in the introduction of this document respecting general acceptance, are the Faculty Senate and the Strategic Planning and Budget Advisory Committee. (signed 2018)

That emphasis on consultation with these bodies as committees is important.
As noted in an authoritative book on the subject by a former member of the American Association of University Professors' Executive Committee, the shared governance value is so prominent and central that even when college and university managers are falling far short of or
are fundamentally violating its precepts, they claim in various ways to be engaging in extensive "consultation" (Gerber, 2014). That is, in our view, clearly the case at the University of Arizona in regard to the Arizona-Ashford-Zovio arrangement. It appears that conversations within the central administration about this possible arrangement were initiated at some point in March 2020, as the University of Arizona had shifted to online education, and like universities across the country expected revenue losses for COVID Spring, and was anticipating major revenue losses in the coming academic year.

In his August 3 email announcing the University of Arizona Global Campus, President Robbins pointed to the "extensive discussion" with more than 200 faculty, staff, and others. In the FAQs linked in that email, further detail was provided: included faculty from every college and more than 50 different departments, as well as faculty members of SPBAC, the Executive Committee of the Faculty Senate, the Academic Deans' Council, a group of Regents

Distinguished Professors exploring new revenue opportunities, and the Financial Stability Emergency Response Task Force.

Multiple discussions were held with the Arizona Board of Regents. Deans were also able to discuss the proposed acquisition with their leadership teams and department heads in their respective colleges. What the President's email and the FAQs studiously avoided mentioning was that participation in these discussions was contingent on signing a NDA, that the two chief faculty governance bodies, SPBAC and the Faculty Senate were NOT consulted collectively (as College level faculty governance bodies were not), that some members of the identified group were explicitly excluded from the discussions, and that full and meaningful information (despite the NDA) required to make an informed decision was not provided. As letters from groups of participants emerge, it is also evident that despite explicit concerns being expressed about the lack of information (see the June 19, 2020 letter from select Eller College faculty), despite explicit recommendations that the full body of the Faculty Senate be consulted (by those selected faculty representative of SPBAC who signed NDAs), and despite caution and counsel offered against the Arizona-Ashford-Zovio arrangement, including from two of the academic colleges most directly implicated, with the letter from one referring to the deal as "catastrophic," (see the June 19, 2020 letter from select Eller College faculty), the central administration chose neither to consult SPBAC and the Faculty Senate as full bodies, nor to allow for the consultation with college level faculty shared governance structures in colleges most directly affected by the deal.

The central administration's communication through the President's email and the FAQs, then, is at best, incomplete and misleading, and at worst, deceptive. The process was shrouded in secrecy, through an NDA that has been described in an August 4, 2020 InsideHigherEd article on the "backlash" against the deal as one that: [U]ses obfuscated language that could generously be described as comically cryptic. The contract bars any details about "Project DigiCat" from being shared publicly. The NDA makes no mention of Ashford University nor its parent company Zovio, instead referring to these parties under the code names "Antelope" and "Zebra" (McKenzie, 2020).

In relation to the preceding section on "Diversity," we find the pseudonym choice quite odd for our desert context or the national/state context of the entities. That they seem to exoticize Africa is both deeply problematic and inapt, as the institutions in question are more predator than prey. Moreover, the process provided minimal, summary information, failing to provide even NDA
signing individuals who viewed a PowerPoint presentation with the sort of data that should be available to those deliberating on the decision, or even the actual names of the entities (as evidenced in the June 19, 2020 letter from the Eller faculty). The letter of the SPBAC Faculty Representatives is even more explicit about that lack of information, including of risk/benefit analyses that had apparently been done.

We feel, however, that we still lack crucial information for providing a strong endorsement of the project, and many of the comments above are based on a lack of information rather than a data-driven assessment of the merits of the proposed project. We haven't had the chance to undertake, nor were we provided with, a SWOT analysis, financial scenarios, or specific calculations of the potential flow of funds (e.g., direct cost of personnel and support, base management and licensing fees, incentive fee, etc.), and a

financial risk calculation were UArizona or "Antelope" to end the contract prematurely.
And while a risk-benefit analysis has been completed, we haven't been able to review the specific findings of that analysis. Accurately assessing the potential risks of the on-going legal situation is also not possible…with the information we have been provided. As a result, we would advise against the acquisition of "Antelope", not so much because we are confident it is a bad investment, but rather because we don't feel we have the information necessary to conclude it is a good investment for UArizona's core mission.
It is hard to avoid the conclusion that the central administration demonstrated little real commitment to actual deliberation. Rather, they provided, or more accurately pitched promotional presentations to obtain consent, which they did not receive.
Further, the central administration studiously avoided the advice of shared governance bodies, even though it was recommended to them. In the words of the SPBAC faculty representatives' letter,
• Decision-Making Process. [emphasis in original] The SPBAC faculty representatives very much appreciate being consulted regarding this potential investment. Such a major decision, however, should be vetted by the entire faculty through the elected faculty senate, which would entail greater transparency and a higher level of shared governance.

In short, the university's central administration engaged in an orchestrated and staged set of presentations, not really discussions. As process, they represent a negative object lesson list of what does NOT constitute shared governance. What is NOT shared governance is:
* Making any participation in receiving presentations and even minimal information contingent on signing an NDA and not sharing any thoughts with colleagues who in many cases these participants are supposed to represent and report back to—shared governance is not secretive, sequestered presentations to selected participants;
* Including only selected participants from groups such as SPBAC, Faculty Senate, and Regents and Distinguished Professors (e.g., we know of at least one RDP who was not invited to sign a NDA; we do not know of how others were selected, or even who they were)—shared governance is not management choosing which people they want to present to;
* Doing presentations to "participants," which, frankly is much like this central administration's view of "town halls" and "live chats" which involve almost no exchange, and only very selectively curated responses to questions that have been submitted—shared governance requires actual exchange and shared deliberation in good faith conversations;
* Providing limited and insufficiently detailed information and analyses that have been done to afford participants the opportunity to actually engage in due deliberation—meaningful shared governance requires fully shared information;
* Ignoring all feedback that is not 100% support for the pitched proposal—shared governance is not just assent;
* Not providing responses or explanations to the concerns and recommendations made by parties participating in the discussions—shared governance requires mutual accountability.

The process gymnastics which the central administration of the University of Arizona went

through to avoid meaningful shared governance practices, and the way the process was presented to the university community warrant our condemnation of the utter failure of the President and the senior leadership to adhere to the principles embedded in the HLC standards (including of Integrity), in state law, and in university MOUs. What was undertaken was a heavily choreographed process. It was presented to the university community as having involved
"extensive and robust discussion," as if that constitutes shared governance. But, really it was a highly selective process of present to and ignore, unless there was assent, which it turns out was apparently very much lacking. The two key bodies for genuinely engaging in meaningful shared governance, although they have met in the Spring and over the Summer, were not consulted as committees. Sadly, this is consistent with a pattern followed by this senior leadership team, on finances/furloughs and on public health/re-entry issues. It is a process of NOT working through established shared governance groups, or even intersecting with them, and of ignoring to the point of intransigence the expert advice even of those selected to promote an already committed to plan. Such poor processes very often lead, as they did in this case to poor outcomes.

In closing this section, it has to be said that the "announce and promote" approach to major decisions, with insufficient shared governance and due diligence has contributed to the rise of the Coalition for Academic Justice, UA, a coalition of faculty, staff, and graduate students. And it is what has triggered a vote to form a wall-to-wall union to ensure that the voices, concerns, ideas, and lives or employees are respected and considered in good faith, to the benefit of the public mission and purposes of the university.

V. QUESTIONS THAT SHOULD BE ADDRESSED (pp. 16-17)
In addition to the many issues and questions raised in the previous sections about the Arizona-Ashford-Zovio arrangement, we share the view of commentators and public interest advocates that there are many unanswered questions that should be addressed. And add to those some additional questions of our own.

We have many questions beyond the ones identified in a recent article in the Republic Report about the Ashford deal.
https://www.republicreport.org/2020/questions-about-the-university-of-arizona-zovio-deal/
On top of questions about the deal that Goldie Blumenstyk just asked in the Chronicle of Higher Education, here are more questions that regulators, legislators, accreditors, reporters, and others
might want to pursue:
1. How much pressure was University of Arizona president Robert Robbins under from the Arizona Board of Regents to up his online college game, which has been notoriously unimpressive and under-enrolled, and were the Regents threatening to turn over the job to Robbins's rival, Michael Crow, the extremely enterprising president of Arizona State?
2. How do Robbins and Brent White, the University of Arizona's dean of Global Campus, see this deal in terms of their legacies and their own financial futures?
3. Have Robbins and White, who claim their university is "aware of past controversies and investigations related to Ashford University and its parent company, Zovio," really looked at all the bad behavior Ashford and Zovio have engaged in and the hardships caused to students?
4. Was the roll-out and consultation around this announcement even more of an ambush and insult to faculty than the 2017 Mitch Daniels announcement that Purdue University would buy

for-profit Kaplan University?
5. What are the implications of the deal for Ashford's long-term arrangement with Forbes Media to license the Forbes name to Ashford's Forbes School of Business and Technology, a big source of revenue for Zovio? Will Forbes' Hong Kong-based owners seek more money to cater to Arizona's global ambitions?
6. How lucky was Zovio CEO and founder Andrew Clark — who has been paid as much as $20 million in a single year while getting Bridgepoint/Zovio through a decade of awful publicity and investigations over predatory practices and educational deficiencies — to be approached by Arizona for this deal? How close was Clark, having faced rebuffs from Ashford's accreditor, WASC, and even from Betsy DeVos's for-profit-college-loving Department of Education, over his plan to convert Ashford to a non-profit, to being shut down or kicked out? Were there other suitors for the company, and did they include the secretive Colbeck firm?
7. When the U.S. Department of Education on July 8 reversed its decision to require from Zovio a $100 million letter of credit in order to approve the conversion of Ashford to non-profit status, was that because Zovio told them the deal with Arizona was imminent? (Probably yes, h/t someone smart.)
8. Have former Zovio (when it was called Bridgepoint) executives Robert Eitel and Scott Filter, now top higher education aides to DeVos, been recused from matters related to the company?
9. Why, prior to Monday's announcement, did Zovio stock steadily rise, from $1.11 per share on March 16 to $3.94 on July 31, on no real positive public news? Who has been trading the stock?
10. Why did Michael Cole join the Zovio board of directors in February, after his investment firm, SevenSaoi Capital, took a 6.8 percent take in the company?
11. Are Ashford's accreditor, WASC, and Arizona's, Higher Learning Commission, going to be cool with all this?

To the above questions, we would add more of our own.

* Do students at Ashford need to sign waivers indicating that they will not sue the institution?
* Do faculty at Ashford have to sign NDAs at the start of their time, and/or when they leave, preventing them from talking about the institution and their experience?
* Do staff and/or administrators at Ashford have to sign NDAs at the start of their time, and/or when they leave, preventing them from talking about the institution and their experience?
* What status of employment (full or part-time) do most faculty at Ashford have?
* What is the breakdown of where Ashford faculty get their degrees from—what proportion are online degrees and what proportion are degrees from for-profit institutions (at Kaplan, it was found that over one-third of the faculty had online degrees, and many of those from Kaplan)?
* Does Ashford or Zovio hire agents to provide limited support for a "forbearance" or "deferment" period (during which interest builds up) until the end of the three-year default limit,
to look better in their metrics?
* What are the potential costs imposed on University of Arizona Global Campus global if it ended early?
* After the 15 years of the contract, what happens—is it as with the Purdue contract in which it has to pay a penalty to get out of the agreement?

Before proceeding any further with the Arizona-Ashford-Zovio arrangement, these questions should be addressed and answered, in detail. They should not just be shared internally, but fully elaborated publicly.

VI. CLOSING STATEMENT
In summary, we are strongly opposed to this ill-conceived and ill-advised Arizona-Ashford-Zovio deal. Our opposition is grounded in the evidence that it: (a) violates our public land grant HSI mission, core values and HLC standards in relation to mission, integrity and institutional effectiveness; (b) appears to have lacked serious due diligence even by the small inner circle of senior level players privy to the full details of the situation, and constitutes an illadvised, and foolhardy business deal; (c) runs entirely counter to the core commitments of the
university to diversity and inclusion; & (d) has been reached through a fundamentally flawed process utterly lacking in meaningful shared governance with shared governance entities at the university and college levels with fully shared and open information.

Quite simply, the Arizona-Ashford-Zovio arrangement is bad business for the University of Arizona that compromises its core public mission. It is even worse public policy. It is particularly problematic at this moment and concentration of multiple crises, of a pandemic/recession/social uprising. As an enrollment declining, student success failing, liability ridden, enterprise with multiple legal and accreditation red flags, Ashford is virtually (pun intended) the last partner the University of Arizona should affiliate with, particularly in a pandemic/recession that disparately impacts low income and communities of color, which it allegedly targets and defrauds. The proposed arrangement is a Faustian bargain, and not even a good one in those terms, for it is not for unlimited knowledge and worldly possessions, but for merely $15-17M/year for 15 years, taking on multiple liabilities and selling/compromising our public HSI, land grant soul through association with a panoply of problematic practices and outcomes on the unfounded belief that they will not continue and that we can change the culture of the entity providing those services (Zovio) over which our university will have no control.

Moreover, it is the very last sort of attempted self-serving initiative a public research university should be taking in this moment. Now is a time when we should be mobilizing our resources to better serve students and communities to whom we are responsible, particularly those who are being most adversely impacted by the pandemic, recession, and institutionalized structures of racism, sexism, and xenophobia. Now is a time when we should be focusing on supporting our student and employees bearing the brunt of multiple crises.

Although the Arizona-Ashford-Zovio arrangement is being couched by its proponents and supporters such as the Chair of ABOR as strategic and innovative, it is in fact small minded opportunism that is an old story with the same old phrasing and justifications. An innovation to meet the moment, to meet the challenges of a (post) COVID world? Please. It is an old story in a new context. It is a story of public universities too often chasing their own narrow interests in pursuit of marginal revenues more than they invest in meeting the needs of those to whom they
are responsible. It is an old story of public institutions being leveraged by and leveraging with for-profit entities in pursuit of short-term profit. Moreover, the sad irony is that such "entrepreneurial" profits are exacted and extracted overwhelmingly in the form of public subsidy through Title IV financial aid and GI Bill benefits, and at the disproportionate expense of underserved BIPOC populations and those who have served in the military—vets.

As a final note, in reading ABOR Chair Larry E. Penley's August 3 letter of support on behalf of the board for the Arizona-Ashford-Zovio acquisition, we would observe and comment

that the fiduciary responsibility of the board is to the current and future members and students of the University of Arizona community and to the integrity and mission of the University, now and
into its future. The fiduciary responsibility is not to the President. We would ask ABOR to consider that in light of the large hue and cry articulated not just by members of the University of Arizona community but also nationally, it should choose to listen and give serious consideration
to the questions, points, perspectives, and ideas being raised by the people who serve our students and communities and who make this university work. For instance, the university would be well served by the board establishing some working groups on key circumscribed matters,
that would bring board members and university employees and administrators together to work on solving particular problems. That would be consistent with strategies encouraged by the Association of Governing Boards, of which ABOR is a member. In our view, however, with respect to the Arizona-Ashford-Zovio arrangement, as we indicated in opening, we are adamantly and strenuously opposed to the University of Arizona proceeding any further with the Arizona-Ashford-Zovio arrangement.

Appendix B. SPBAC Faculty Memo to Brent White and Lisa Rulney (following a meeting on June 9, 2020)

Dear Lisa and Brent,

The faculty representatives of the Strategic Planning and Budget Advisory Committee would like to thank you for consulting us concerning the University of Arizona's potential investment in Project DigiCat.

This document synthesizes our assessment of the Project DigiCat opportunity, highlighting the perceived risks and benefits and providing suggestions for a more productive implementation if the acquisition does indeed go through. The following is not intended to be a comprehensive list of risks and benefits, but rather a summary of the issues our group found most salient. At the end of this overview, we present our group's collective recommendation on the issue.

Please note, that this document only represents the perspectives of SPBAC faculty representatives, not the entire SPBAC committee.

<u>Potential Benefits</u>

- **Online Growth.** The University of Arizona has been a relatively late entrant into online education, especially compared with ASU. As a result, it has been difficult to significantly scale our online offerings and enrollments. Purchasing an established online university may be a productive way to turn online education into a significant, profitable revenue stream.
- **Diverse Student Body.** Providing the opportunity for a greater range of students to achieve a high-quality education is a laudable goal, and can be aligned with UArizona mission, vision and goals as a land-grant institution.
- **Main Campus / Arizona Online Growth.** There may be some matriculation of students from the new online unit to UArizona proper, especially if this is incentivized by scholarships.
- **Financial Return on Investment.** The potential financial return on investment seems high, although we have not been able to assess detailed financial information and projections.

<u>Potential Risks</u>

- **Legal Risks.** It was mentioned that "Antelope" university is at the center of several legal cases. It was not possible to assess the level of risk associated with these ongoing lawsuits with the information and time provided. The "Lawsuits and Controversies" section takes up nearly half of its Wikipedia page, and the number of lawsuits against "Antelope" seems comparatively high even when compared to private online competitors (see: https://vetsedsuccess.org/law-enforcement-actions-against-predatory-colleges/).

- **Quality Control / Reputation Risks.** The online university currently has a 6-year graduation rate of 29-32%. While this may compare favorably to similar private online universities, it is roughly one half of the University of Arizona's main campus graduation rate. Only a small minority of their faculty are full time employees, and none are featured on their website, which suggests that the faculty are not recognized nor visible in ways they are at UArizona. As of 2017, 95% of the university's income was from the federal government via student scholarships and loans, suggesting that many students are taking on significant debt to enroll and then not finishing their degrees. Many people find these practices unethical.
- **Financial Uncertainties**. As explained in our meeting, the financial opportunity seems attractive. The purchase would cost $1, and UArizona would receive $25M of net revenue per year for 5 years prior to the operating company taking a cut. However, there are several potential issues.
  - Enrollments at "Antelope" have declined 42% from 2010 to 2017, making it unclear that there will indeed be positive net revenues if this trend continues. Without a detailed accounting of the costs and net tuition revenue, it is not possible to project whether this will be a profitable endeavor. The decline in enrollments also makes it seem unlikely that UArizona faculty who have or will be laid off in response to the COVID-19 financial crisis would be able to gain employment at this new university.
  - It is not clear how the University of Arizona intends to use revenues resulting from the acquisition. We assume the intention currently is to buffer the financial cut resulting from the COVID-19 crisis but, moving forward into post-COVID-scenario, we question how colleges will benefit. In the recent past, both the number of administrators and their accompanying salaries have increased dramatically, while professorial salaries have remained relatively stagnant, and under-market. Without a clear model for the flow of money, it is difficult to assess the potential benefits for units across the university.
  - The $25M/year projected revenue is a relatively small portion of UARizona's total annual budget; no scenarios have been presented with regard to further growth opportunity.
- **Decision-Making Process.** The SPBAC faculty representatives very much appreciate being consulted regarding this potential investment. Such a major decision, however, should be vetted by the entire faculty through the elected faculty senate, which would entail greater transparency and a higher level of shared governance.

Suggestions for Implementation

If UArizona senior leadership does decide to go through with this acquisition, the SPBAC faculty representatives would advocate for the following conditions to ensure this project does indeed benefit the larger UArizona community. Additionally, highlighting these aspects may improve the manner in which faculty receive the news of the acquisition.

- **Financial Flow Chart**. In these times of pay cuts, furloughs, and other budget cuts, UArizona faculty are likely to be suspicious of any new venture that will cut into limited resources or that will not directly benefit their colleges and units. It would be useful to clarify where the funds from this project will be directed, highlighting the ways that it will benefit the core teaching mission of the university and the faculty who provide it.
- **Diverse Administration**. One of the appeals of this project is that it serves a relatively diverse student body. The current "Antelope" administration, however, does not share those characteristics. A clear and actionable commitment to diverse administration of the new university would be a productive step in the right direction.
- **Student Incentives**. If one of the major goals of this project is to increase the flow of students to the UArizona's main campus and Arizona Online programs, there should be scholarships set aside to facilitate that process. In particular, we advocate for making these scholarships focused on increasing the diversity of UArizona's student body. It would also be helpful if the revenues could support scholarships for disadvantaged students in general.
- **Positions for Laid-Off UArizona Adjuncts.** It would be helpful if the partnership could help mitigate existing and anticipated layoffs at UArizona (e.g., recently non-renewed members of the writing program) by offering teaching positions at "Antelope" University.

The SPBAC faculty very much appreciate being consulted regarding this potential endeavor. We feel, however, that we still lack crucial information for providing a strong endorsement of the project, and many of the comments above are based on a lack of information rather than a data-driven assessment of the merits of the proposed project. We haven't had the chance to undertake, nor were we provided with, a SWOT analysis, financial scenarios, or specific calculations of the potential flow of funds (e.g., direct cost of personnel and support, base management and licensing fees, incentive fee, etc.), and a financial risk calculation were UArizona or "Antelope" to end the contract prematurely. And while a risk-benefit analysis has been completed, we haven't been able to review the specific findings of that analysis. Accurately assessing the potential risks of the on-going legal situation is also not possible within our limited timeframe and with the information we have been provided.

As a result, we would advise against the acquisition of "Antelope", not so much because we are confident it is a bad investment, but rather because we don't feel we have the information necessary to conclude it is a good investment for UArizona's core mission. If administration does go through with the acquisition, we hope that some of our suggestions for a successful implementation can be included in strategic planning for this project. Thank you once again for the opportunity to contribute to the decision-making process; we look forward to future collaborative efforts in shared governance.

Sincerely,

The SPBAC Faculty Representatives

Appendix C. Memo from Eller College Advisory Committee

June 19th, 2020

Dear Arizona Board of Regents Members, President Robbins, Dean Goes, and Provost Folks,

Thank you for advising us regarding the DigiCat project. We are writing to ask you not to enter into an agreement between the University of Arizona and the entity referred to as "Zebra" in the non-disclosure agreement. We understand the need for capital and the need to position the University of Arizona as a market leader in an ever-increasingly competitive online secondary education environment. However, as we outline below, the "asset" we are obtaining in the DigiCat agreement is a "lemon" that will:

1. **Impair the value of the University of Arizona,**
2. **Expose the University of Arizona to litigation,**
3. **Impede our ability to compete in the high-quality secondary education online space,**
4. **Harm relationships with current and prospective donors and faculty**

We expound on each of these items below.

Impair the value of the University of Arizona

First, the entity referred to as Antelope University in the non-disclosure agreement is a bad business that preys on their students. A quick google search reveals that less than 29% of their students graduate. Furthermore, the average student leaves with $36,000 in debt. Essentially, Antelope takes money from vulnerable individuals and provides little to no value in return. This sentiment is shared by many, including government officials. Former Senator Tom Harkin describes Antelope University as delivering a product that is worse than a subprime mortgage. In a nytimes.com article (2011), he states, "at least in the subprime, you could walk away from your home…These students with these debts can't walk away from them." Another article from insidehighered.com (2011) quotes the former Senator, Tom Harkin, as stating that Antelope University is "a scam, an absolute scam."

These statements are corroborated by evidence provided in settled lawsuits, which are discussed below. Furthermore, enrollment at Antelope University has dropped by an average of 10.54% per year over the past seven years. If this trend continues, we estimate that Antelope University will lose somewhere between $35 Million to $94 million per year over the next five years. Hence, we believe the DigiCat project is a bad investment.

Overall, graduation rates, quotes from government officials, litigation, and enrollment declines suggest Antelope University is neither the panacea for the University of Arizona's woes nor a sound business decision providing a sizeable financial payoff. Rather, associating with a predatory institution such as Antelope University will cause irreparable damage to the University of Arizona's brand built over the past 135 years.

Expose the University of Arizona to litigation

A quick internet search reveals that Antelope University's business practices led to lawsuits and government investigations. For example, the California attorney general filed a lawsuit with Antelope University in 2017, which is ongoing to our knowledge. In 2014, Zebra settled a lawsuit with the State of Iowa for $7.25 million. In 2016, the Consumer Financial Protection Bureau levied an $8 million penalty on Zebra and required them to refund $23.5 million in student loans. Given the pending litigation and business practices of Zebra and Antelope University, it is reasonable to expect litigation in the future. This is an additional expense that will not only be born by Zebra but also the organization that is "managing" Antelope University—the University of Arizona.

Impede our ability to compete in the high-quality secondary education online space

As we understand, the DigiCat project agreement would allow Antelope University to use the University of Arizona brand in phrases such as "Antelope University powered by the University of Arizona." Given this, it seems reasonable to assume that some students may choose to attend Antelope University in place of the University of Arizona online programs. This erosion of market share would be unfair to students who expect the high-quality education we deliver. Rather than place the University of Arizona as one of the leading high-quality online degrees, it will, in fact, do the opposite by allowing our partner to steal our market share, mislead our students, and impede our ability to compete in the high-quality online space now and in the future.

Harm relationships with current and prospective donors and faculty

The mission of the University of Arizona "is to teach and uplift the people of Arizona, and the citizens of the world." Our reputation is built on this promise and is the key reason our donors give to the University of Arizona. In short, donors trust the University of Arizona will use their gift to help individuals realize their potential and thereby contribute to society in social and economic ways. Consider, however, if a donor

learned that we also exploit individuals for profit. Entering into an agreement with a university that has a history of doing this would lead to irreparable damage to these relationships. We would lose our donors' trust and hence, lose their support and the ability to use that support to achieve our mission.

We also believe that partnering with a declining, for-profit university is antithetical to the mission of our University, and will be see as such by faculty, both in Arizona and beyond. We believe this partnership will weaken our academic credibility and potentially affect the University's accreditation. High-quality faculty who prioritize the development and dissemination of knowledge will likely find this association unacceptable and look to other institutions for employment, severely depleting our human capital and the ability to accomplish our mission. In addition, we foresee attracting new academic talent to a university with this partnership to be extremely difficult, further inhibiting our mission.

Conclusion

In conclusion, we understand that the need for capital during these difficult and unprecedented times. Furthermore, we understand the need to position the University of Arizona as a leader in the secondary education market. However, the DigiCat project would be a catastrophic mistake for the University of Arizona. The DigiCat project will impair the value of the University of Arizona, expose the University of Arizona to litigation, impede our ability to compete in the high-quality online space, and harm relationships with current and prospective donors and faculty. For these reasons, we ask you to abandon the DigiCat project immediately.

Sincerely,

Rick Mergenthaler, Eller College Advisory Council Chair and Associate Professor of Accounting

Hope Schau, Professor of Marketing

Nathan Podsakoff, Stephen Robbins Professor of Management and Organizations

Bin Zhang, Assistant Professor of Management Information Systems

David Brown, Assistant Professor of Finance

Tiemen Woutersen, Professor of Economics, Eller Fellow