

To the University of Arkansas System President Donald Bobbitt and Members of the Board of Trustees,

The Faculty Senate of the University of Arkansas at Fayetteville has spent much time considering the System's proposed plan to acquire the University of Phoenix through the associated non-profit entity, Transformative Educational Service, Inc. Though initially put off by the secrecy in which this proposal began and how it was reported, we appreciate the time you took to explain the details and take questions in the aftermath.

We recognize that the responsibility of the System President is to ensure the long-term health of all system institutions, an effort made much more difficult given the impending enrollment cliff of 2025 and beyond. We recognize that in such responsibility, the System President needs to explore new and generative streams of revenue that could potentially cushion the impacts thereto. We recognize that the proposed \$20 million licensing agreement between Phoenix and the System could have a beneficial impact if it proves to be sustainable, but we have serious reservations about that sustainability.

We recognize also the ever-evolving landscape of higher education and the System's need to adapt to that evolution which was accelerated by the monumental shift to virtual schooling brought about by the pandemic. Despite the struggles of eVersity, we see success in our own Global Campus and the potential within the recent acquisition of Grantham University to reach students in Arkansas currently overlooked or unfound by System schools.

Given the totality of these considerations, however, the Faculty Senate of the University of Arkansas at Fayetteville does not support the System's acquisition of the University of Phoenix.

Though you acknowledge the "checkered past" of the University of Phoenix, we feel you are too quick to dismiss those problems as being in the past. We feel the reputation of Phoenix's history will linger for years to come, and our campus is at the most risk for association with it. The University of Phoenix has proven itself, through strikingly low graduation and retention rates, to be unsuccessful at helping students reach their educational goals, anathema to what we do here on the Hill. As the flagship campus, the System brand is inextricably linked to the Razorbacks, to Old Main, and the brand-defining world-class instruction that takes place on our campus every

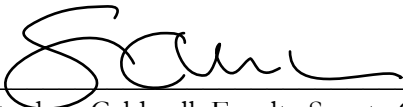
day. Phoenix's well-documented history of dishonest and predatory practices with students resulting in poor educational experiences are the defining features of the University of Phoenix brand, in opposition to ours.

The association between the two has already begun. Evidence of this includes the use of our campus logo in news stories posted nationwide when knowledge of this acquisition first became public, which our campus worked hard to correct. Still, our logo and images of Old Main remain attached to news articles and will remain so in the hard memory of search engines. Article titles, including a recent editorial in the *Arkansas Business Journal* on March 6th, use "UA" or "U of A" in the titles which are common monikers for our campus. We may never be able to escape the gravity of these errors, whether intentional or not.

As educational servants to the citizens of Arkansas, our tide can lift all boats when our citizenry can see that access to world-class education need not flow through back door acquisitions of entities from Arizona but rather that world-class structures already exist in our state. These structures are taught and supported by Arkansas citizens, whose results are seen and felt in the very communities in which they live throughout the Natural State.

Apollo Global Management, the NYC-based current owner of the University of Phoenix, has nearly \$550 billion of assets under management. For them, this deal represents just .09% of their total AUM. The projected purchase price, however, represents a total greater than many of the annual budgets of system institutions. If the University of Arkansas System sees the need to make a \$500 million investment in the future of higher education, let's make that investment here in the only state in America where one can still find diamonds.

Respectfully,



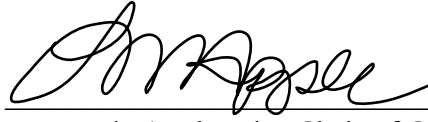
Dr. Stephen Caldwell, Faculty Senate Chair
Associate Professor of Music



Dr. Christian Goering, Faculty Senate Vice Chair
Professor of Curriculum and Instruction

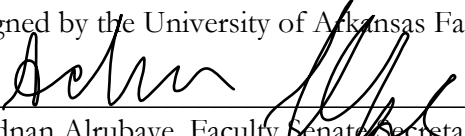


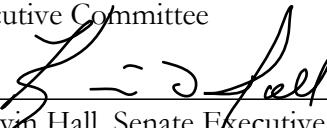
Dr. John Pijanowski, Chair of Campus Faculty
Professor of Curriculum and Instruction




Dr. Laurie Apple, Vice Chair of Campus Faculty
Associate Professor of Apparel and Merchandising

Co-Signed by the University of Arkansas Faculty Senate Executive Committee

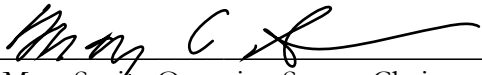

Dr. Adnan Alrubaye, Faculty Senate Secretary
Assistant Professor of Poultry Science

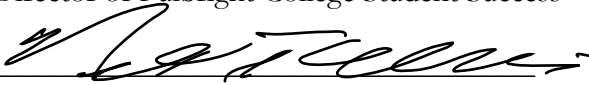

Dr. Kevin Hall, Senate Executive Committee
University Professor of Civil Engineering


Dr. Timothy Kral, Senate Executive Committee
Professor of Biological Sciences


Dr. Samantha Robinson, Senate Executive Committee
Teaching Associate Professor of Mathematics


Dr. Deborah Korth, Senate Executive Committee
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Dr. Mary Savin, Outgoing Senate Chair
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