MINUTES  
FACULTY SENATE  
JANUARY 31, 2022

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1. CALL TO ORDER

Presiding Officer of the Faculty Senate, Melanie Hingle, called the Faculty Senate meeting to order at 3:03 p.m. via Zoom. Hingle welcomed all Faculty Senators and Observers. Hingle reminded the body that this is a Faculty Senate business meeting, and everyone is welcome to attend, but only Faculty Senators may participate. Any Senators wishing to participate are asked to raise their virtual Zoom hand, and please stay muted when not speaking. The preferred method of voting is by a show of hands, which was voted on at the April 2021 Faculty Senate meeting. Robert's Rules of Order also recommends a hand-raise as the default method for voting. Faculty Senators may raise a real hand on camera and wait until voting has concluded, but using one's "zoom" hand is preferred. Remarks will be limited to the items listed on today's agenda. Remarks will be limited; Faculty Senators may not speak more than two times on any agenda item.


Absent: Senators Addis, Devereaux, Gordon, Haskins, Jones, Kline, Murphy, Reimann, Valeri and Vedantam.

2. ACTION ITEM: APPROVAL OF THE FACULTY SENATE AGENDA

Hingle asked for [Motion 2021/22-26] to approve today’s meeting agenda. Hammer moved to approve. Motion was seconded. Motion passed and is detailed at the end of these minutes.

3. ACTION ITEM: APPROVAL OF THE MINUTES OF DECEMBER 6, 2021

The minutes of December 6, 2021 were approved [Motion 2021/22-27] as written.

4. OPEN SESSION: STATEMENTS AT THE PODIUM ON ANY TOPIC, LIMITED TO TWO MINUTES – MAXIMUM NUMBER OF SPEAKERS IS FOUR. NO DISCUSSION IS PERMITTED, AND NO VOTES WILL BE TAKEN

Senator Hudson yielded her two-minute statement to Senator Downing. Downing stated, “The Global Campus entanglement that is unfolding is the worst mess that I have witnessed in my fifty years on the Faculty, under nine Presidents. If COVID and furloughs were not enough, we’re hearing about a proposed blending of a poorly-run private online University with the UA. The courts are deliberating a possible $100M judgment. The United States government is asking $103M from the UArizona Foundation, and a request for an audit has been refused. Zovio investors are bailing and thousands of students unscrupulously recruited under the UArizona Banner are possibly stranded with a huge debt and no degree. Avoid distractions, this faculty stipulates the value of online education and the need for universal, affordable education. The real issue is how does UArizona extricate itself from what turns out to be a screwed-up deal. Adoption, divorce, a bailout, or skilled surgical Zovioectomy. It might be easier to cross a bumblebee with a camel. Before digging deeper, due diligence is in order. This faculty practices, teaches, and lives due diligence. Diligence is as good as the questions asked and the data and facts discovered. No matter what your proposed solutions, and there are many, I suggest we focus our initial discussion and this meeting on questions. It would be prudent for Dr. Robbins and his team to listen, reflect and offer answers at a later time. We need data, not verbiage, independent audits, or PowerPoints. Limiting full discussion and due diligence strangles due process, rewards incompetence, and threatens democracy. That beast should not be allowed to be strong our campus. Thank you.”

5. DISCUSSION ITEM: UARIZONA GLOBAL CAMPUS DISCUSSION – PRESIDENT ROBERT ROBBINS, AND PROVOST LIESL FOLKS

President Robbins opened the discussion. “Thank you for the opportunity to update you on our progress with the University of Arizona Global Campus. I am excited to share that in conjunction with the oversight and direction of the
US Department of Education, the University of Arizona has indicated its intention to exercise the option to acquire UAGC and take an even more direct role in responsibility for UAGC and its students. At the outset, I want to reaffirm the University of Arizona’s commitment to this endeavor. I want to remind everyone of why this affiliation made so much sense when it began a little over one year ago. Those same reasons, along with a year of positive collaboration as affiliated entities, also explain why advancing to this new level makes so much sense. This endeavor furthers the land grant mission and strategic plan of The University of Arizona by providing accessible and flexible opportunities to working adults, veterans, international students, and other non-traditional learners to obtain the benefits of higher education. I cannot emphasize this enough. All of us have the privilege to work in higher education and support students who are materially and positively improving their lives and achieving their dreams. Acquiring UAGC and coordinating our missions allows the U of A to better support students we may not otherwise reach. It may sound sentimental, but I truly believe the core of everything we are doing is to serve our mission more effectively. Our affiliation with UAGC has allowed the University of Arizona to help serve 28,000 more students on a flexible, high-quality online platform designed for growth. Our next steps foster the potential for additional Arizona Online students through designated pathways and transfer agreements. The UAGC was formed as a new and independent non-profit corporation, with flexibility and different governance and cost structures, to allow for responsive innovation and growth. The UAGC provides an excellent and adaptable platform for global expansion—complementing and coordinating with the University of Arizona’s international micro-campuses. The University of Arizona has a great deal of expertise to offer in the arena. Well before the affiliating with UAGC, Arizona Online rapidly moved in the US News and World Report rankings from unranked in 2016 and #81 in 2017, to #7 two years in a row. This has been a remarkable rise. By the way, Arizona State has been # 6 two years in a row in the US News and World Report rankings and Northern Arizona University is also highly ranked in the nation at #59. And, in its first year as a new entity, UAGC, (as well as the University of Arizona and ASU) were listed in Newsweek Magazine’s Inaugural Ranking of the Top 150 Online Colleges. (Arizona State and the University of Arizona each earned five stars and UAGC earned four stars.) Those are some of the many reasons why our affiliation made sense in 2020 and why informing the Department of Education of our intent to acquire UAGC and joining the UAGC and the University of Arizona Foundation in signing the Department of Education’s Temporary Provisional Participation Agreement makes sense in 2022. I would like to take a moment to address anyone with concerns about why the University of Arizona has decided to deepen its involvement and leadership of UAGC and how we will proceed. First and foremost, we are listening, and we welcome any and all constructive and productive dialogue on how we should best transition. All reasonable options on how to implement this acquisition are on the table. In the months ahead, planning teams to include faculty representatives will be established, respectful of our commitment to shared governance. We have had the opportunity to brief the leadership of the key shared governance entities at the University of Arizona—all of the Faculty Senate and its Strategic Planning and Budgeting Committee as well as entire Faculty Senate Executive Committee. We announced to campus and are seeking the input and advice of all our employees. We have the time, opportunity and commitment to work together — along with ABOR, the Department of Education, our accrediting bodies, UAGC leaders and its Board and other policy and thought leaders — to have an ideal transition. As we work together on the very best path forward, I ask that we all keep in mind our mission to provide broad access to excellent education and our duties to respectfully serve all the students who are part of the Wildcat family. There must be no “have nots” for students who learn under the University of Arizona banner. In summary, the University of Arizona has increased its responsibility for UAGC and its students, is advancing the process of acquiring UAGC and has begun the process of determining how to best coordinate the operations of UAGC into the University of Arizona umbrella. The U of A and UAGC will initiate formal planning to ensure a comprehensive, quality educational experience and affordable opportunities for current and future UAGC students. In the months ahead, planning teams that include faculty representatives will be established as we respect the benefits of shared governance and faculty counsel. We will share updates on the path forward as we work with the appropriate governing bodies, boards, accrediting bodies, and policy leaders responsible for oversight. Thank you.” Robbins thanked Senior Vice Provost Byrd, Dean Gary Packard, Lehman Benson, and Dean Marc Miller who have served as UArizona representatives on the UAGC Board for the past year. Folks added that at the time the original business transaction was contemplated, the Department of Education was under a different administration than it is currently. What was then deemed appropriate to the Federal Department of Education (DOE) has shifted. With that shift, the DOE has asked for a different arrangement. What UArizona is doing currently is not a change in plan, but a change in timeline. As the Affiliation Agreement shows, the University projected being at the current point in two-and-a-half to three years. The result is pulling in the timeline with no formal change in plan. The Affiliation Agreement allowed UArizona the option to exercise the right to bring UAGC into the University and currently UArizona is moving on a faster timeline. Folks said that experiences have been positive working with UAGC over the past year. When UArizona acquired UAGC, only assets were acquired and none of the liabilities. For example, an ongoing court proceeding in California is not part of UArizona’s acquisition and is the sole responsibility of the former owners of Ashford University. The original conversation with the Department of Education has been very civil. President Robbins and team have been in the Capital working directly with Department of Education leaders, and they are satisfied with where UArizona is headed and pleased that UArizona will foster good care of UAGC as we work through the process. Department of Education officials were very open, frank, and collaborative with both Robbins and UAGC President Pastorek, and Folks feels that a good place has been reached between UArizona and the Department of Education. Folks is aware there are a myriad of questions about what it exactly means to bring UAGC into UArizona, and the reality is we don’t know the answers.
for what that structure will look like. When looking at many other institutions that have taken this same path before us, many of these institutions have ended up with structures for their accessible online Universities that are all slightly different. UArizona now has to start exploring what the pros and cons of each of these entities looks like and what would work best within the Legislative framework that we operate under at UArizona. Because UArizona doesn’t know yet what this endeavor will be, we don’t have answers to your questions, but are looking forward to a collaborative process while all possibilities are deliberated. Folks asked Burd to explain the accreditation process. Burd explained to Faculty Senate that she led the reaccreditation of the University reaffirming UArizona’s accreditation with the Higher Learning Commission. Burd led a large team of many individuals, many who currently sit as Faculty Senators. The reaccreditation was a big process, and UArizona met all criterion required in that process. There is work to do between now and year four when it will be necessary to review and update UArizona’s assurance argument. Given that Burd oversaw this large project, Robbins and Folks asked her to lead the charge for reviewing and working with the accrediting body to bring in this new institution. Burd worked early on to try to make sure that when UArizona took control of UAGC from Zovio, that it was done in the best possible way, and worked hard to ensure that there were Key Performance Indicators (KPI’s) that Zovio would be required to take. Pasternak has put together a strong team to make sure that UAGC moves forward as a strong institution, and Burd believes this as well. Robbins asked Burd to also serve as one of the UArizona members on UAGC’s Board of Directors. Burd reiterated that there are many unknowns about what structure will work best for UArizona. Burd has yet to form a team, but has started working with colleagues to investigate and understand what structures are being used currently by other institutions. Burd’s team will include elected Faculty Senators, additional faculty at UArizona, administrators, students and staff. Hudson asked Robbins about the DOE communication of November 29, 2021, reported in the Arizona Daily Star and Arizona Republic, that offered UArizona a series of options, one of them being the $103M letter of credit that represents a quarter of the Title IV funds that UAGC needed to secure in order to its change status. Another option was a full financial accounting of UAGC and the UArizona Foundation, which Hudson understands is currently the holding company for UAGC. The third option is the road to integration. Hudson requests that Robbins show Faculty Senate the aforementioned letter, as well as sharing it with the Arizona Board of Regents and the public. Hudson asked why Robbins chose the option he did, in light of the all the opposition that he will face from the faculty, notwithstanding the material difficulties facing UArizona in the future, and various exposure to legal liabilities. Hudson feels it’s easy enough to claim that Zovio will be responsible for all liabilities, but in reality, doesn’t seem practical. Hudson urged Robbins to share the letter publicly, and comment on the different aforementioned options and how the University concluded its decision. Robbins responded that the letter is in the public domain, but can make it available to the Faculty Senate separately. The answer to the question of why integration was chosen is simply the fact that the UArizona Foundation and its auditors did not believe they had sufficient control of UAGC. The auditors, myself, and Department of Education thought that the Foundation did have control in that they could close the University laterally, the could send the University into involuntary bankruptcy, so it was of multiple people’s opinion that the UArizona Foundation did have sufficient control to have a consolidated audit with UAGC. At the end of the day, it would have still required a $41M letter of credit, and when the Department of Education gave the option of UArizona stepping forward to sign the TPPA, that option seemed to better than a letter of credit because the question was going to be who could sign the letter. UArizona could not sign because of the gift clauses in the Constitution. With regard to Hudson’s comment about UArizona or UAGC having legal liability, Robbins defers to the lawyers, and has been assured multiple times that UArizona will not be under any liability legally and Zovio is the only entity that is being addressed in the lawsuit. The trial has concluded and the judge is writing the opinion for how to adjudicate the lawsuit against Zovio, not against UAGC, and certainly not against the University of Arizona. Hammer addressed misinformation being promulgated surrounding the fiscal issue and quality issue. One of the first issues that was raised in Gary Rhoades’ chat comment was the apparent inheritance of the liability for UAGC. Hammer suggests some form of communication to put this speculation to rest. Would it be reasonable or valuable to conduct an audit of admissions calls to know what to target for UAGC that might affect the future relationship once integration is complete to provide quantitative assurance to the UAGC faculty and stakeholders that might ease integration. Robbins replied that the signing of the TPPA means that we are the backstop for all the Title IV funding that goes to UAGC students. UArizona would only be responsible if a catastrophe were to happen. UArizona signs for Title IV funding for its own students. With regard to the audit of the practices, KPI’S were part of the affiliation agreement between UAGC and Zovio. There was a separate agreement with UArizona as an affiliated academic institution, and as part of that there was monitoring of those calls in an ongoing fashion. Burd addressed the “secret shopper” issue wherein UAGC posed as new students and find out what the practices are, and if there’s a problem, UAGC addresses those with Zovio. As President Robbins stated, there are KPI’S and if needs and requirements of the agreement are not met, the agreement with Zovio is quashed. Lucas referred to the recent article in Arizona Central, Dudas stated that practices are being questioned with Ashford and Zovio that were problematic. If there are any concerns with UAGC given the close affiliation with UArizona, more participation to correct problems will be done on the part of UArizona. At a time when faculty and staff are put on furlough, lab space is lacking, technicians are being laid off, and many other resources at the University are being depleted, it appears that a major investment is going to have to be made in a defective institution despite the University’s scarce resources. How much in resources are expected to drain from UArizona to put UAGC afloat. How did you arrive at the estimate. Is there a report or study of the risks associated and will it be available to Faculty Senate. Once UAGC is on board, there may be resources for start-up costs, but we don’t anticipate a large amount. Many things are dependent on the outcome of the lawsuit and
If the level of due diligence as described has taken place and we don’t know as Faculty Senators what’s really happening with the University to merge or affiliate or do anything at this scale with the known complexities and problems surrounding Zovio. We would like to know more about the DOE conversation. He finds it hard to believe that the DOE would tell a major State University that it is not good for students to be employed by a company that is essentially a for-profit company, like Zovio. Investors are concerned because Zovio stock is collapsing and people want to know what this deal entails because Zovio’s value is driven by the Federal Government funding. UArizona receives 15% of student tuitions coming from the Federal Government, Zovio gets 85%. There is a 15:85 ratio meaning that the entire effort and no one is talking about the elephant in the room. UArizona with a no-bid contract set an arrangement for fifteen years with a management company, namely Zovio. Zovio sets up on a 15:85 ratio meaning that student being able to be hired in the education field in Arizona. If there is no connection, can we postpone offering certain courses until there is a connection. Robbins said that students with degrees from UAGC can become teachers in Arizona, so the pathway is already there. Smith said this was a main complaint in the lawsuit; there was no connection to the education field in Arizona. If there is no connection, can we postpone offering certain courses until there is a connection. Robbins said that students with degrees from UAGC can become teachers in Arizona, so the pathway is already there. Smith said this was a main complaint in the lawsuit; there was no connection to the education field in Arizona. If there is no connection, can we postpone offering certain courses until there is a connection. Robbins said that students with degrees from UAGC can become teachers in Arizona, so the pathway is already there. Smith said this was a main complaint in the lawsuit; there was no connection to the education field in Arizona. If there is no connection, can we postpone offering certain courses until there is a connection.

Vice Provost for Online and Distance Education, Craig Wilson, is very familiar with the online landscape and how rankings work. It is likely UArizona will follow a similar path of other institutions who have already gone down this path with traditional campus students, online process for which the entry qualifications are the same for UArizona’s existing degrees, and the accessible enrollment process operating for UAGC. This is exactly how the University of Maryland Global Campus works, as well as Purdue, and Folks imagines that UArizona will tread that path as well. Simmons asked if UAGC faculty remain distinct, what will the shared governance structure inside UAGC look like since there is a state law associated with shared governance. Will there be a Faculty Senate. Folks replied that Ashford has a shared governance process internally, but would have to check if it aligns with Arizona State Law. M. Smith asked what the plan is for creating a successful connection or path between attendance at the UA Global Campus foreseeing taking education courses and that student being able to be hired in the education field in Arizona. If there is no connection, can we postpone offering such courses until there is a connection. Robbins said that students with degrees from UAGC can become teachers in Arizona, so the pathway is already there. Smith said this was a main complaint in the lawsuit; there was no connection in a number of applied areas. Robbins said that Burd would know explicitly about this issue, but to this knowledge, teaching and nursing students can obtain employment from a degree from UAGC. Hymel said that she is interested in making a motion that the Faculty Senate have its own independent committee that works with administration’s committee to report back to Faculty Senate. Summers asked to bring this idea to the next Faculty Senate meeting the following week. Hymel withdrew her motion. Wilson reported that the Joint Academic Advisory Committee (JAAC) as Robbins spoke of earlier, is comprised of faculty from UAGC and UArizona. The group has been meeting since last year to go over many of the things we’ve been discussing here. Downing said he read the 195-page summation of the lawsuit in California and he looked specifically from the perspective of a student who had enrolled in UAGC. The California Attorney General is asking for a $100M award against Zovio. In the testimony, the Prosecutor from the Attorney General in California asked witnesses who are employees of Zovio, if the same deceptive practices with minorities has continued since the agreement has been signed with UArizona. The answers under oath were yes. Rhoades asked this same question and Downing wants to know what the risks truly are. Secondly, there’s $3B behind this entire effort and no one is talking about the elephant in the room. UArizona with a no-bid contract set an arrangement for fifteen years with a management company, namely Zovio. Zovio sets up on a 15:85 ratio meaning UArizona receives 15% of student tuitions coming from the Federal Government, Zovio gets 85%. Investors are concerned because Zovio stock is collapsing and people want to know what this deal entails because Zovio’s value is based on this deal with UArizona. There are liability issues, financial issues, and admission issues, and Downing would like to know more about the DOE conversation. He finds it hard to believe that the DOE would tell a major State University to merge or affiliate or do anything at this scale with the known complexities and problems surrounding Zovio. If the level of due diligence as described has taken place and we don’t know as Faculty Senators what’s really
happening, the first deal was a secret and we found out about it hours after it was announced to the public. Here again, Faculty Senate is not being informed until the last minute, and more time is needed to evaluate this situation. Downing wonders if due diligence was performed, and is there willingness to share the documents, because all of us are being asked to help with teams to try and figure out how to consummate the deal that started. Usually in business, the first step is to figure out what the risks are, positive vs. negative, and do research. Then a company decides whether to do the deal or not. This is the horse before the cart and the cart isn’t even part of the process. Downing feels the people of Arizona are going to have a lot of questions. In due diligence, one option for consideration is always don’t do the deal. Possibly learning about Zovio’s continuing deceptive practices for recruitment breached the contract that none of us have seen. Downing said he would lose his professional standing, as would most Faculty Senators in the room, if conclusions were written prior to obtaining data to back it up. Burd responded that the “secret shopper” revealed that deceptive practices were happening on the part of Zovio. Zovio has the responsibility for the admissions, financial aid, and some of the advising, which are part of the KPI’s and the UAGC Board is trying to correct. Burd assured that the “secret shopper” is being used currently, and it has revealed the issues where correcting is needed. Robbins rebutted Downing’s statement that UArizona doesn’t have a plan. The plan is to focus on integrating the 30,000 students into the University of Arizona under its organizational umbrella, incorporated either directly into all departments or as a separate branch campus/entity until incorporation is possible. Ziurys said that hearing about all the legal and financial problems that this deal may result in, but worries about the ethics of the situation. Supposedly there are benefits for higher education and Ashford is a strong institution, as said in this meeting. In reality, a lot of Ashford’s students lost a lot of money, their lives were ruined and resulted in a $100M lawsuit led by the State of California. Why is UArizona working with this organization. Students lives were ruined because of Zovio and Ashford, and according to the reporting from the court case, “because of Defendant’s serious pervasive and willful violation of California’s Unfair Compensation Law and False Advertising Law, the People are seeking penalties of $75M as well as $25M in restitution for harm to students. Further, Defendant’s misconduct has not ceased. Zovio is providing the same enrollment and marketing services for the newly named University of Arizona Global Campus, what Defendant’s witness, Pat Ogden, called the same institution under a different name. And Zovio’s historically ineffectual compliance department will continue to exercise oversight over the Zovio admissions counselors enrolling students in UAGC. There’s every reason to believe that the misrepresentations to students are continuing and will continue unless this court issues an injunction as requested by the People.” What is the University of Arizona plan to correct what Zovio has been doing with the students of this institution. Ziurys believes that with the corruption within this organization, it will be necessary to wipe the slate clean and start over to make it a viable and ethical student education endeavor. What will the University of Arizona do with the current Zovio staff and its misconduct? Do you intend to keep the entire staff, do you intend to continue the same path that has gone on ever since UAGC has taken over, or are you going to change the organization, get rid of people, put in new people with higher ethical standards? Robbins responded that the answer would be the latter. Burd replied that Zovio is doing the admissions. UAGC has to be tied to Zovio until they can get enough evidence to the KPI’s to get released from them. Zovio is the OPM, which is the entity that was owning UAGC or Ashford at the time. In bringing in the University, there is no need for Zovio, but they are part of the Agreement and it’s their practices UArizona is trying to change. UAGC has plans and they’re doing many things to be ready to come into this University, therefore, it’s not UAGC that is the problem. UArizona is working very hard to eliminate Zovio’s practices. Dudas stated that Zovio was the owner of Ashford, but are not the owner of UAGC. UAGC is an independent, non-profit University that UArizona affiliated with. The first metric is Zovio as a for-profit is now excluded. Zovio is a services provider who contracts with UAGC. The second metric is the primary person associated with the lawsuit is a person at Zovio who was responsible for marketing. When UAGC got involved, they went to Zovio and discussed problematic practices and certain persons in the organization that were not suitable to work with. The person who testified is a disgruntled employee because they were fired, along with a number of Senior Vice Presidents at Zovio. UAGC came into the picture and said that they would not tolerate the aforementioned behavior. The third metric is the DOE was concerned about past practices, but when it learned that the University of Arizona was involved, the DOE granted another option to become more involved and waive the letter of credit option if the TPPA was signed. Now UArizona has the opportunity to make sure that UAGC and its contractor Zovio are more accountable. The Zovio contract with UAGC is not automatically terminated, but is subject to termination clauses, and Zovio may be looking at whether or not they want to continue involvement. The idea there isn’t a plan is not accurate, since there are all kinds of plans and opportunities. The plan is to work with all of you, the accreditors, ABOR, and others to figure out the best way forward. Milbauer said that last year at a similar meeting, the Vice Provost for Global Affairs defended the acquisition of Ashford to the Faculty Senate and misleadingly reframed our concerns as elitism on the part of the Faculty and chastised us in the process, but we were right to have been concerned. Milbauer’s understanding is that this person is no longer in that position at UArizona Global, but being replaced. We hear of the lawsuit against Ashford, and we hear of your visit to the Undersecretary of Education in Washington, D.C. to stem the damage involving the potential loss of federal student aid. The faculty at UArizona hear of these, not through University communications or through shared governance processes, but through local media. This not only is hurtful, but it affects morale in a negative way. In the spirit of building trust, what can you share with us here today, hopefully in writing, about the conversations with the DOE and the options on the table to move forward. Specifically, what were the options other than an accelerated merger with a potentially toxic asset that the DOE offered and why is that merger preferable to the other options. Can any documents be made available to us. Robbins responded that the documents are all public record, and there were four options...
presented. The first two that have been spoken about involved letters of credit, so the third option was taken. All correspondence will be made available. Milbauer said that the Faculty Senate appointed a Global Campus Senate Advisory Committee last year (GCSAC) investigating campus-wide concerns, financial, ethical, and curricular practices, and recommending best practices and the path forward in an effort to be cooperative and proactive. You and the senior leadership have a copy of that report, with hopes that it will be included as we move forward. Slepian feels that many suggestions to move forward are emblematic of a general situation that exists with Faculty Senate in the overall process of how the message is delivered in a piecemeal way. The Regents and Distinguished Professors group are among many groups who met numerous times to review the integration. Issues at hand are opinions on the quality of different degrees offered, reputation, among many others. A dissection of integration needs to happen in a constructionist, positive way to uncover all the elements so everyone is aware of the different facets going on that possibly not everyone is aware of. Although other Universities have successfully integrated online schools with their Universities, UArizona has the opportunity to assess, extract, and improve by taking the positives from the examples shown, removing the negative elements, and move forward in the positive way. That will only happen if everyone works together. Liabilities cannot be wished away, and aside from an asset purchase, all mergers bring former liabilities with them. There are many nuances, and Slepian referred to California court case Ray vs. Allen in the California Supreme Court, which shows that liabilities do not disappear. Slepian feels there are good ways to move forward positively if deconstruction will allow Faculty Senate to understand all of the elements, bring together all groups that have previously or are currently looking into the acquisition. A more systematic way to get all of the information every one is seeking at different levels is the key to moving forward in a positive manner. Ottusch said that it’s not clear if UAGC will remain an open access institution. Wilson responded that the model is open enrollment giving students multiple pathways into an institution similar to a community college where it is recognized that not all students come to the institution at the same level of preparedness for a variety of reasons. Ottusch said that for-profits generally spend more money marketing to obtain students, and efforts should be made more to retain students. If Zovio folds, these are the students that will need more support than any others. Robbins added that when UAGC was formed a little over a year ago, it was formed as a not-for-profit separate University. Folks said that there isn’t a big difference between public and private Universities in terms of marketing, but fully online entities pay more for marketing costs than traditional campus-based entities, which is largely due to the fact that they are reaching students from broader constituencies. Marketing will remain an important component for both Arizona Online and UAGC, since this is how their students are recruited, but takes nothing away from the commitment that we must have for student success and meeting students’ educational aspirations. Bourget said she wanted to focus on Zovio, and part of the issue is that UAGC is a non-profit entity and Zovio is a for-profit entity and is charged with important aspects such as enrollment and marketing. Can contract details for the KPI’s for Zovio be shared, and under what conditions can UArizona sever the contract. Who is giving legal advice regarding the entire process that is being undertaken. Robbins replied that UArizona’s Office of General Counsel is providing legal advice in these matters, as well as outside legal experts. UAGC also has counsel, one of which was the General Counsel for the Department of Education in the Obama Administration. Robbins feels confident with UArizona’s legal team. When KPI’s are not met, those responsibilities have been moving over to UAGC. Zovio is considering strategic options with their assets, one of which is to sever the contract. UAGC would have to agree to that course of action, but feel that would most probably be the best course of action. Dysart said that the lawsuit in California was filed in 2017, obviously predating this agreement with the University. Has any amended complaint or anything alleging activity of bad behavior since the agreement that has been entered into with Zovio. Ziusys interrupted that what she read earlier from the court record states that it has continued. Dysart restated her question as to whether or not an amended complaint has been filed bringing UAGC into the lawsuit. Dysart’s discovery only yields complaints filed prior to and including 2019, predating the acquisition. Dudas responded that no new allegations or complaints have been made since the acquisition, adding that the judge asked very specifically of the California Attorney General representative if the lawsuit involves UAGC and the answer was negative. The lawsuit is directed at Zovio and Ashford as it existed when the lawsuit was filed. Robbins said that many of the questions from Faculty Senate will be answered once judgment is made on the lawsuit. Hurh asked why the DOE is requiring a merger and UArizona has not been successful convincing them that UAGC will carry out their commitments as promised without a merger, and Hurh asked for elaboration on the fourth option that hasn’t been discussed. Hurh feels that there is a possibility that UAGC may lose its accreditation, which would be difficult, but it’s a separate University from UArizona. Is UArizona planning on saving every failing institution, since there are other students in Arizona our institution could be focusing on instead of dealing with a failed institution. Walking away from the gambling table seems like another viable option. Robbins responded that there has to be some financial backing for Title IV funds that the DOE gives to UAGC. UAGC did not have the assets to accomplish that task. To the second question, over a year ago, the UArizona Foundation entered into a TPPA. The Foundation was indemnified by the University. To walk away would mean the monies would be lost in the amount of $103M and $41M, respectively. If the entire deal fell apart, that would mean over $1B in liability so walking away is not an option. Hurh clarified that UArizona is responsible for UAGC when we’ve been told that it’s a separate entity and UArizona would not be liable for UAGC. Robbins said that in the event of a collapse of UAGC, UArizona would be liable for Title IV funds and have to pay those back to the DOE. Fink asked what the reason was to not engage Faculty Senate before the decision was made to move on with the plan to integrate UAGC, and what is the timeline envisioned for moving forward. Robbins responded eighteen months to two years to go through the process. With regard to timing to notify Faculty Senate, UAGC and UArizona Foundation received a letter of November 29, and a lot of shuttle diplomacy and
scrambling back and forth meeting with UAGC, the Foundation, attorneys, accountants, the DOE, the Undersecretary of Education, which continued through the holiday break and into January. Robbins isn’t sure of the specific date, but once a pathway to resolve conflicts was reached, the process of informing campus began. Fink added that due to the importance of the situation, possibly a special session could have been called to inform campus. Hudson moved [Motion 2021/22-28] that the Faculty Senate votes to oppose President Robbins’ plan to move forward with the University of Arizona assuming added responsibility for UAGC by means of the proposed merger and that we recommend acceptance of the Department of Education’s condition of a financial audit being conducted on UAGC and the UArizona Foundation in relation to UAGC, after which, if the Department of Education continues title IV eligibility for UAGC, the Faculty Senate will organize an advisory committee to organize and oversee an admissions and educational audit in order to further movement on the relationship between UAGC and the University of Arizona. Ziurys seconded the motion. Simmons said that he is hesitant to vote on such a motion before discussions have ended, and more discussion is scheduled for next week’s Faculty Senate meeting. Many questions haven’t been answered yet, including the DOE’s resources that have been requested and just sent for review. Simmons moved [Motion 2021/22-29] to table the motion until the February 7, 2022 Faculty Senate meeting. Helm seconded the motion. Ziurys asked if a motion could be made to not table the motion. Simmons asked why the Faculty Senate would want to vote on something that hasn’t been reviewed yet. In asking for mutual trust, Faculty Senate has received the information/documents it requested. Stegeman indicated that Simmons’ motion is technically a postponement rather than a tabling, which is a perfectly legitimate subsidiary motion if it passes by majority. If it fails, the original motion is still on the floor. Robbins added that there has been an audit of the financials of the UArizona Foundation that is incorporated in the University of Arizona’s publicly disclosed financial statement on a yearly basis. Moreover, there’s been an audit of UAGC and the Foundation submitted to the DOE separately as was requested by the DOE. Ziurys asked why UArizona doesn’t give the DOE what it has asked for. Hingle clarified with Stegeman if the discussion be redirected to postponing the motion. Stegeman affirmed. Downing objected to Presiding Officer Hingle for muting someone because she doesn’t want to hear what they have to say. Hingle explained that Downing was out of order. Downing said that some people have seen the documents requested, and some have not, and many had to sign a Non-disclosure Agreement initially to weigh in on the deal. Hopefully there will be full deliberation and full disclosure because as Faculty Senators who represent colleges and constituencies, the people not present are also fully affected and it would advisable to obtain their input. Downing hopes that due diligence is undertaken and concerns are now being heard, thanking President Robbins for the open discussion. Robbins added that the reason for the Non-disclosure Agreements was because at the time, it was required because Zovio was a publicly traded company. Hudson reconsidered her motion and supports the motion to postpone, providing all documentation data that has been requested and discussed at this meeting is provided by administration. Hingle advised that the documentation has been put in a Box folder for Faculty Senators. [Motion 2021/22-29] to postpone [Motion 2021/22-28] passed and is detailed at the end of these minutes. Downing moved [Motion 2021/22-30] to postpone the next agenda item Executive Session for Honorary Degrees to allow other Faculty Senators to continue discussion and ask questions. Hudson seconded the motion. Hingle clarified that the Deans of the colleges who have put forward the Honorary Degrees have been asked to be present and are currently all present. The Honorary Degrees are time-sensitive, and time has been set aside for the next Faculty Senate meeting on February 7, 2022 to continue discussion on the UAGC matter. Simmons added that although he agrees with keeping the momentum going with the discussion, the Deans are present to talk about their Honorary Degrees and business as scheduled needs to be followed. Faculty Center staff informed Faculty Senate that instructions were that the Honorary Degrees needed to be voted on at today’s Faculty Senate meeting, and the February 7, 2022 meeting was going to be too late to do so. Downing withdrew his motion, followed by seconder Hudson. [Motion 2021/22-30] was withdrawn.

6. EXECUTIVE SESSION – HONORARY DEGREES

Observers were asked to leave the Zoom call to allow Faculty Senators confidential deliberations.

11. ADJOURNMENT

There being no further business, the meeting was adjourned at 5:45 p.m.

Michael Brewer, Secretary of the Faculty
Jane Cherry, Recording Secretary

Appendix*

*Copies of material listed in the Appendix are attached to the original minutes and are on file in the Faculty Center.

1. Faculty Senate Minutes of December 6, 2021

Motions of January 31, 2021 Faculty Senate Meeting
[Motion 2021/22-26] Motion to approve today’s meeting agenda. Motion was seconded. Motion passed.

[Motion 2021/22-27] Motion to approve the minutes of December 6, 2021. Motion was seconded. Motion passed.

[Motion 2021/22-28] Motion that the Faculty Senate votes to oppose President Robbins’ plan to move forward with the University of Arizona assuming added responsibility for UAGC by means of the proposed merger and that we recommend acceptance of the Department of Education’s condition of a financial audit being conducted on UAGC and the UArizona Foundation in relation to UAGC, after which, if the Department of Education continues title IV eligibility for UAGC, the Faculty Senate will organize an advisory committee to organize and oversee an admissions and educational audit in order to further movement on the relationship between UAGC and the University of Arizona. Motion was seconded. Motion was postponed following subsequent motion.

[Motion 2021/22-29] Motion to postpone motion [Motion 2021/22-28] until the February 7, 2022 Faculty Senate meeting. Motion was seconded. Motion passed.

[Motion 2021/22-30] Motion to postpone the next agenda item Executive Session for Honorary Degrees to allow other Faculty Senators to continue discussion and ask questions. Motion was seconded. Motion was withdrawn.

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