

BOARD OF HIGHER EDUCATION

REQUEST FOR COMMITTEE AND BOARD ACTION

COMMITTEE: Academic Affairs

NO.: AAC 19-21

COMMITTEE DATE: March 5, 2019

BOARD DATE: March 12, 2019

REVOCATION OF THE DEGREE GRANTING AUTHORITY OF THE UNIVERSITY OF PHOENIX

MOVED: The Board hereby revokes the legal authority of the **University of Phoenix** to operate a physical instructional location and grant degrees in the Commonwealth of Massachusetts retroactive to September 15, 2018.

VOTED: Motion approved by AAC 03/05/2019; Motion adopted by the BHE 03/12/2019

Authority: Massachusetts General Laws Chapter 69, Section 30 et seq.

Contact: Patricia A. Marshall, Ph.D., Deputy Commissioner for Academic Affairs and Student Success
Ashley H. Wisneski, Esq., Deputy General Counsel

Background

The University of Phoenix (the "University") is a for-profit college founded in 1976 and headquartered in Phoenix, Arizona. The University was approved by the Board of Higher Education (BHE) to open a physical location in Massachusetts and offer the Bachelor of Science in Business and the Master of Business Administration in March 2000. A Bachelor of Science in Information Technology was approved in October 2002. The University was a wholly-owned subsidiary of Apollo Group, Inc. until 2016, when the Apollo Group was bought by Apollo Global Management. The University's main Massachusetts campus was located in Braintree, and it also had branch campuses in Burlington and Westborough. At the time of the closure, the only campus was in Braintree.

The University is primarily an online institution. While it expanded its physical campuses considerably in the 1990s and 2000s, by 2015, the University's enrollment had declined sharply. As a result of the decreased enrollment and revenue, the University engaged in an assessment of student and employer demand for programs in each of its physical campus locations, evaluating every campus and learning center to identify the communities in which the University should continue to maintain a physical location. As a result of those evaluations, the University decided to close its remaining Massachusetts campus.

On July 31, 2015, the University's Board of Trustees voted to close the College. The University ceased new student enrollments at the campus effective August 6, 2015, and BHE staff was notified of the planned closure and teach-out via email that same day. The required Notice of Closure documentation was initially submitted to BHE staff on October 7, 2015, and, after a process of editing and refinement throughout the course of the closure, has been deemed thorough and complete. Initially, the University anticipated that it would close in October 2017. This date was pushed back to December 2019 in the formal Notice of Closure submission, and ultimately in November 2017 was again adjusted to August 2018. The University's last day of instruction associated with its final physical location in Massachusetts was August 8, 2018.

As part of the teach-out, students were given the opportunity to complete their academic programs by August 2018. All but three students either completed their programs by that time, converted to an online program, moved and became associated with a different University location in another state, or withdrew from the institution. The final three students were able to continue their academic studies through the University's online offerings. The University is not ceasing operations, but rather it no longer plans to enroll new students at its Braintree campus or provide instructional services at any physical location in Massachusetts. The University will continue to offer education to students nationwide through online instruction, and it continues to be able to enroll Massachusetts students in its online programs through the University's and Massachusetts' membership in the State Authorization Reciprocity Agreement (SARA).

Throughout the closure process, the University worked closely with BHE staff to ensure compliance with state requirements related to the closure of the College.

In compliance with M.G.L., c. 69, § 30A and 610 CMR 2.10, a public hearing regarding the closure of UoP Boston was held on September 5, 2018 at the Department of Higher Education, Room 1401, One Ashburton Place, Boston, MA 02108.

Staff Recommendation

Staff recommends that the Board revoke the authority of the University of Phoenix to operate a physical instructional location and grant degrees in the Commonwealth of Massachusetts retroactive to September 15, 2018.