

Gavin, Meghan [AG]

From: Proesch, Nicole [IDOE]
Sent: Friday, May 13, 2016 10:44 AM
To: Gavin, Meghan [AG]; Blake, Nathan [AG]
Subject: FW: Ashford University

From: Beasley, Thomas [IDOE]
Sent: Thursday, May 05, 2016 8:56 AM
To: Proesch, Nicole [IDOE] <Nicole.Proesch@iowa.gov>
Subject: FW: Ashford University

Ms. Proesch,

This news seems years late to me. Since 2008 I have asked VA for guidance on this school and other "for-profits" and my questions have been relegated to a "parking lot."

I am fine with withdrawing Iowa's approval. In doing so I feel I am blind to information VA used and the information I was supplied was provided to me by officials from the university. Moreover, VA has long operated that its own regulations, policies, code supersedes other federal agencies to include the US Department of Education. Finally, I find it hard to believe Ashford University is operating any differently than is Kaplan University (online university in Florida), the University of Phoenix, or the other big "online" universities.

I will be communicating this to Ashford later this morning. When Ashford University first discussed moving their accreditation to the Western Region I informed VA and the CA SAA about the move. VA informed me it was a "state" issue. California informed me they would NEVER approve Ashford in their state. No other reason was given and it seems after all this time the California SAA has never developed or even informed the school of their necessary approval requirements.

So...just wanted you to know VA's position from someone in Central Office.

Cordially,
Tom

From: Spruce, Bill, VBAVACO [<mailto:Bill.Spruce@va.gov>]
Sent: Wednesday, May 04, 2016 3:09 PM
To: Beasley, Thomas [IDOE] <Thomas.Beasley@iowa.gov>
Cc: George, Marie L., VBASLOU <marie.george@va.gov>
Subject: Ashford University

Mr. Beasley,

Bottom line upfront: It is our view that the Iowa SAA does not have the authority to approve Ashford University Online effective June 30, 2016. Therefore, absent an approval from the California State Approving Agency (CSAAVE), it will be VA's intention to cease paying for veterans enrolled at Ashford University for terms that begin on or after July 1, 2016.

I offer the following in support of this determination:



- A quotation from Iowa's "College Student and Commission" website (emphasis mine):
"Ashford University is registered in Iowa in order to continue offering residential programs at an Iowa site and to offer distance education programs through its main campus location in San Diego, CA."
- Ashford's own website indicates they are located in San Diego, CA:

Online Enrollment:

Ashford University
 8620 Spectrum Center Blvd.
 San Diego, CA 92123

Ashford University
 Office of the Registrar
 8620 Spectrum Center Blvd.
 San Diego, CA 92123

- Ashford University sought and received accreditation with WASC Senior College and University Commission, which does not cover Iowa.
- Taken directly from Bridgepoint's most recent quarterly SEC filing (red emphasis mine):

To be eligible to participate in Title IV programs, an institution must be legally authorized to offer its educational programs by the states in which it is physically located. Effective July 2011, the Department established new requirements to determine if an institution is considered to be legally authorized by a state. In connection with its transition to WSCUC accreditation, Ashford University designated its San Diego, California facilities as its main campus for Title IV purposes and submitted an Application for Approval to Operate an Accredited Institution to the State of California, Department of Consumer Affairs, Bureau for Private Postsecondary Education ("BPPE") on September 10, 2013. In April 2014, the application was granted, and the university was approved by BPPE to operate in California until July 15, 2018. As a result, Ashford University is no longer exempt from certain laws and regulations applicable to private, post-secondary educational institutions. These laws and regulations entail certain California reporting requirements including, but not limited to, graduation, employment and licensing data, certain changes of ownership and control, faculty and programs, and student refund policies, as well as the triggering of other state and federal student employment data reporting and disclosure requirements.

- Finally, please see the last bullet below: Ashford cannot meet the definition of a "proprietary educational institution in Iowa, their own SEC filings indicate they are physically located in California.

The following are VA's own regulatory provisions::

Main campus means the location where the primary teaching facilities of an educational institution are located. If an educational institution has only one teaching location, that location is its main campus. If it is unclear which of the educational institution's teaching facilities is primary, the main campus is the location of the primary office of its Chief Executive Officer. (38 C.F.R. § 21.4266(a)(3)).

In order to be approved, a location must have full **Administrative capability** meaning the ability to maintain all records and accounts that § 21.4209 requires. (as stated in (38 C.F.R. § 21.4266(a)(1))

The following requirements must also be met due to the nature of the school and its program offerings.

1. **Institution of higher learning.** This term means:(1) A college, university, or similar institution, including a technical or business school, offering postsecondary level academic instruction that leads to an associate or higher degree if the school is empowered by the appropriate State education authority under State law to grant an associate or higher degree.(2) When there is no State law to authorize the granting of a degree, a school which:(i) Is accredited for degree programs by a recognized accrediting agency, or(ii) Is a recognized candidate for accreditation as a degree-granting school by one of the national or regional accrediting associations and has been licensed or chartered by the appropriate State authority as a degree-granting institution. (38 C.F.R. § 21.4200(h))
2. **Proprietary educational institution.** The term *proprietary educational institution* (including a proprietary profit or proprietary nonprofit educational institution) means an educational institution that:(1) Is not a public educational institution;(2) Is in a State; and(3) Is legally authorized to offer a program of education **in the State where the educational institution is physically located.** (38 C.F.R. § 21.4200(h))

In closing, it is our view that you have responsibility to withdraw this institution and advise them of what I have laid out here... they need to begin the process of getting their approval in CA. Time is of the essence. Any further delay is a disservice to this school and could impair their ability to work with CSAAVE on gaining an approval.

VR,

Bill Spruce
Assistant Director for Oversight and Outreach
VA Education Service