

STATEMENT

University of Phoenix is committed to doing the right thing for students. Along with a renewed dedication to making high-quality, practical and accessible educational offerings available to working learners, we are focused on maintaining a responsible growth strategy and on implementing financial aid practices that ensure government funds are responsibly utilized and student debt is minimized.

We are also committed to ensuring that we attract and enroll only those students who we believe have a reasonable chance of success at University of Phoenix, and we have taken several important steps to help ensure that all students are prepared for the challenges and rigor of our programs. For example, our University Orientation program helps students with little or no college experience understand what it takes to succeed in a challenging academic environment like ours, before taking on any college debt. Similarly, we are committed to enhancing financial literacy and reducing student debt, and we recently introduced a set of tools to help students better understand the direct and indirect costs of their education, enabling them to make even more informed payment decisions.

Since our founding, we have been committed to serving working adults who want a college education, and are willing to put in the effort it takes to earn a degree. We are equally committed to ensuring that prospective students understand just how much work it takes to succeed at University of Phoenix, and how much it costs. Additionally, we strive to play a leadership role in continuously improving and transparently reporting the learning outcomes and achievements of our students.

Q&A

1. In the 2009 Annual Report, Table 10, entitled “UOPX Completion Rates” on page 27, what is the raw data in the denominator and the numerator for each percentage figure cited?

Cohorts	Numerator	Pct	Denominator
Associates 3years	1471	26.38%	5576
Associates >3years	1766	31.67%	5576
bachelors 6years	18248	36.06%	50606
bachelors > 6years	19868	39.26%	50606
Graduate 3year	22816	55.17%	41355
Graduate > 3year	26440	63.00%	41968

2. What is the rate for the completion of online associate’s degrees within three years (for the 2004 cohort)?

Designed for today’s working student, University of Phoenix’s associate degree programs are offered through a convenient online modality. For the 2004 cohort, our associate degree completion rate is 26 percent for those students graduating in three years and 31 percent for students who take more than three years to complete.

3. What is the rate for the completion of ground campus associate’s degrees within three years (for the 2004 cohort)?

University of Phoenix’s associate degree programs are conducted exclusively online.

4. What is the rate for completion of online bachelor’s degrees within 6 years (2001 cohort) and more than 6 years (2001 cohort)?

Given the frequent blend of students learning in both modalities, University of Phoenix does not report online vs. on-campus enrollment or graduation rates. For the 2001

cohort, University of Phoenix completion rates for bachelor's degrees is 36 percent for those students who graduate in six years and 39 percent for students who take more than six years to complete.

- 5. What is the rate for the completion of ground campus bachelor's degrees within 6 years (2001 cohort) and more than 6 years (2001 cohort)?**

As stated above, University of Phoenix does not report online vs. on-campus enrollment or graduation rates.

- 6. Last year, how many students enrolled in online associate's degrees? How many of these students dropped out before completing their first course? How many of these students completed the first course and then dropped out before completing the second course? How many of these students were actively taking classes at the end of the year (not "temporary drops")?**

In FY 2009, University of Phoenix had 191,700 new degreed enrollments in our associate degree programs. The majority of these students were still active at the end of the fiscal year.

- 7. Last year, how many students enrolled in ground campus associate's degrees? How many of these students dropped out before completing their first course? How many of these students completed the first course and then dropped out before completing the second course? How many of these students were actively taking classes at the end of the year (not "temporary drops")?**

As stated above, University of Phoenix's associate degree programs are conducted exclusively online.

- 8. Last year, how many students enrolled in online bachelor's degrees? How many of these students dropped out before completing their first course? How many of these students completed the first course and then dropped out before completing the second course? How many of these students were actively taking classes at the end of the year (not "temporary drops")?**

As previously stated, University of Phoenix does not report online vs. on-campus enrollment. In FY 2009, University of Phoenix had 108,900 new degreed enrollments in our bachelor's degree programs. The majority of these students were still active at the end of the fiscal year.

- 9. Last year, how many students enrolled in ground campus bachelor's degrees? How many of these students dropped out before completing their first course? How many of these students completed the first course and then dropped out before completing the second course? How many of these students were actively taking classes at the end of the year (not "temporary drops")?**

As previously stated, University of Phoenix does not report online vs. on-campus enrollment.

- 10. What are the intra-quarter sign-up and drop-out numbers for all students for the last full quarter?**

In Q2 of FY2010, University of Phoenix had 88,100 new degreed enrollments. We do not report quarterly withdrawals.

- 11. What percentage of your students receive Pell Grants? And what percentage of these students drop out within the first month?**

Approximately 36 percent of University of Phoenix students receive Pell Grants. We do not track withdrawn students by type of financial aid received.

- 12. One former University of Phoenix student told FRONTLINE in an interview that they completed a bachelor's degree in computer information at a ground campus in Arizona, graduating in 1999. The student claims to never have received hands-on practice with a computer in four years of class. And this student did not own a computer. What is the University's comment on this?**

If you can obtain a FERPA release from this former student and identify him or her, we will then be able to specifically respond to this statement. As you know, without a FERPA waiver, we are prohibited by law from disclosing a former student's educational records.

In general, however, technology plays a significant role in learning at University of Phoenix. Upon enrollment, students are required to have access to a computer to download course materials, conduct research and complete assignments. Further, as a basic requirement, students are expected to have access to and use the following hardware and software:

- A processor of 1.6 GHz or faster
- A current anti-virus application—updated regularly
- 256MB RAM or greater
- 20 GB hard drive or larger
- 56.6 kbps modem or high-speed Internet connection

- Monitor and video card with 1024x768 ppi or greater resolution
- Sound card with speakers
- CD ROM
- Inkjet or laser printer
- Email address
- Internet service provider (ISP) account
- Microsoft® Internet Explorer® version 6.0 or later
- Adobe® Reader® 6.0 or later
- Microsoft® Outlook Express 6.0 or later
- Microsoft® Office XP, 2003, 2004 or 2007
- Microsoft® Word
- Microsoft® PowerPoint®
- Flash® Player

All University of Phoenix's degree programs combine academic theory with practical application. A number of courses in our College of Information Systems and Technology degree programs teach hands-on technical skills as applied to business problems. Each course covers the technical concepts appropriate to the course content and provides students with practical ways to use technology in a business environment. Students learn hands-on technical skills utilizing their own computers or computers to which they have access.

13. One former University of Phoenix employee who worked in financial aid told FRONTLINE in an interview: "The focus is to start the student... Whether they're academically ready, whether they're financially ready, they need to start class." What is the University's comment on this?

That would be against University of Phoenix policy. Should the University find an enrollment advisor purposely misadvising or misleading students, prompt and appropriate action would be taken, up to and including termination.

University of Phoenix policy requires that our enrollment representatives advise students of all the educational options available that would best meet their needs and schedules. In fact, our enrollment advisors undergo yearly compliance training sessions, which include a variety of topics, such as student engagement, ethics/misadvisement, among other compliance matters. These sessions provide our enrollment advisors with guidelines for how best to advise and support our students throughout their time at the University. Training topics include:

- Code of Business Ethics (reviews our Code and emphasizes how to report concerns);
- Compliance (covers a broad range of topics such as Student Financial Aid (SFA), HR, and Sarbanes Oxley compliance);
- General Compliance for Enrollment Employees;

- Ethics/Misadvisement (e.g., avoiding improper statements relating to financial, academic and SFA matters);
- Family Educational Rights and Privacy Act (FERPA) and Power of Attorney;
- American with Disabilities Act (ADA);
- Engagement;
- Information Security and Awareness;
- Record Integrity;
- Student Resources (e.g., what services are appropriate to provide to students);
- Student Verification Process (identity verification);
- Campus Security/Cleary Act Compliance;
- Student History Notes;
- Protecting Personally Identifiable Information;
- Payment Card Industry Standards (and related credit card data protection procedures);
- Do Not Call;
- Diversity; and
- College Level Exam Placement Test (e.g., training on compliance with College Board requirements for this test).

Additionally, all University of Phoenix enrollment advisors have access to courses via Apollo Corporate University, an internal professional development portal, including supplemental training on advising students/prospective students on responsible borrowing.

14. How many full-time enrollment counselors and how many part-time enrollment counselors do you employ? How many full-time faculty members and how many part-time faculty members do you employ?

University of Phoenix employs more than 28,000 faculty members – 26,500 associate (part-time) faculty members and 1,700 core (full-time) faculty members.

We employ 5,600 full-time and fewer than 50 part-time enrollment advisors.

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