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January 3, 2022

Mr. Michael Frola
Division Chief
Multi-Regional and Foreign Schools Participation Division
Office of Federal Student Aid
United States Department of Education
830 First Street, 7th Floor
Washington, D.C. 20202

Via Email

Re: The University of Arizona Global Campus

Dear Mr. Frola:

Thank you for your letter dated December 20, 2021, in which the U.S. Department of Education (“Department”) presented four options to allow The University of Arizona Global Campus (“UAGC”) to continue participating in Title IV programs. As requested, The University of Arizona (“UA”), The University of Arizona Foundation (“UAF”), and UAGC (referred to collectively as “Parties”) hereby notify the Department of their intent to comply with Option C. Accordingly, upon receipt from the Department, UA will promptly co-sign the Temporary Provisional Program Participation Agreement (“TPPPA”).¹

In the meantime, we wish to clarify and/or confirm our understanding of certain other matters set forth in the December 20th letter as they pertain to selecting Option C.

First, the Department states on page 2 of its December 20th letter that “UA will be required to provide an updated statement of public status.” Arizona Revised Statutes § 15-1601.A. designates the University of Arizona as one of the three State Universities (with Arizona State University and Northern Arizona University) authorized by the legislature (through the Arizona Board of Regents). Given the clear statutory authority for University of Arizona’s status as a public university, we respectfully submit this requirement has been fulfilled.

Second, the Department states on page 3 of its December 20th letter that, under Option C, it “will accept an audited combined SDBS and combined annual financial statements.” The Parties want to confirm that the Department is referring to separately audited financial statements of UAGC and UAF that would then be combined through an Agreed Upon Procedures (AUP) engagement, which is what UAGC has consistently proposed to the Department. Relatedly, the Parties request that the Department permit UAGC until January 31, 2022 to provide the combined SDBS and combined annual financial statements. UAGC will provide to the Department an engagement letter for the AUP for both the combined SDBS and combined annual financial statements by January 15, 2022. In addition, UAGC will provide to the Department its audited financial statements for the fiscal year ended on June 30, 2021, by January 10, 2022. UAF’s audited financial statements were previously provided to the Department on December 3, 2021.

Third, as written, Sections 1 and 2(i)-(v) of the “Financial and Enrollment Reporting Conditions” on pages 3 and 4 of

¹ As the Department is aware, UA is neither an owner of UAGC nor the member of UAGC’s nonprofit owner. Consequently, UA agrees to be jointly and severally liable for the performance by UAGC of its obligations under the TPPPA, but UA respectfully requests that the signature line in the Addendum to the TPPPA not identify UA as an owner or a member of UAGC. Similarly, this request extends to the Provisional Program Participation Agreement (“PPPA”) upon approval of the change of control transaction and any future full certification Program Participation Agreement (“PPA”).

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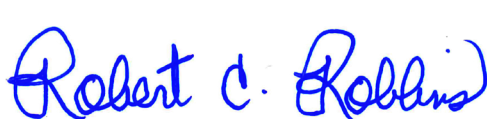
the Department's December 20th letter apply to UA and UAF, in addition to UAGC. However, in footnote 4 of our December 17th letter, the offer to provide periodic enrollment and financial reporting was confined to UAGC and did not include UA and UAF as suggested by the Department's December 20th letter.² While we understand and agree with the reporting requirements for UAGC, we respectfully submit that there is no basis for imposing financial reporting requirements on a R1 public institution and its supporting foundation, UA and UAF respectively, particularly under Option C.

Fourth, there is no mention in the Department's December 20th letter about recognition of UAGC's status as a private nonprofit institution under 34 C.F.R. § 600.4. As the Department is aware, UAGC meets the definition of a private nonprofit institution under 34 C.F.R. § 600.2. Given the addition of UA's signature to the TPPPA, we respectfully request that the Department recognize UAGC's status as a private nonprofit institution under the Department's regulations (as you know, UAGC is organized as an Arizona nonprofit corporation and is in good standing and the IRS has already recognized UAGC as a charitable organization exempt from federal income tax described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended).

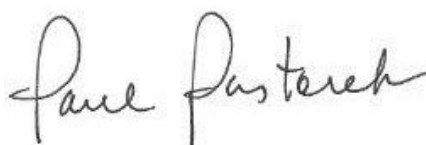
Finally, the Parties appreciate that the Department is limiting the HCM1 and Periodic Reporting Conditions to the period prior to the implementation of the Option selected (Option C). We respectfully request that the Department expedite approval of the change of control transaction and issue the PPPA.

We appreciate your consideration and cooperation and look forward to hearing from you.³ Please let us know if you have questions or need further information.

Sincerely,



Robert C. Robbins, M.D.
President
University of Arizona



Paul G. Pastorek
President and CEO
University of Arizona Global Campus



John-Paul Rocznia
President and CEO
University of Arizona Foundation

cc: Hon. James Kvaal, Under Secretary
Hon. Lisa Brown, General Counsel

² On page 3 of its December 20th letter, the Department indicates (emphasis added) that "[i]n footnote 4 of the UA December 17th Letter, the **UA Parties** state that they would be 'willing to accept heightened cash monitoring Level 1 and periodic enrollment and financial status reporting if the Department believes such measures become necessary next year.'" However, footnote 4 states (emphasis added): "While UAGC believes that audited combined financial statements are sufficient given its and UAF's strong financial position, **UAGC**, as indicated, is willing to accept heightened cash monitoring Level 1 and periodic enrollment and financial status reporting if the Department believes such measures become necessary next year."

³ This letter discusses certain confidential information that would be exempt from disclosure under the Freedom of Information Act because it is within the scope of the exemption set forth in 5 U.S.C. § 552(b)(4) ("Exemption 4"). The disclosure of this information to the public, including through response to a FOIA request, would be harmful and prejudicial to the parties. If requested, UAGC and UA will provide a detailed written statement specifying the information we believe is covered by Exemption 4 and the grounds under Exemption 4 and other applicable law for denying access to the information or any portion thereof. If the Department receives a FOIA or other request for this information and concludes that the documentation is not exempt from release under Exemption 4 or other applicable law, we request that the Department notify us as soon as reasonably possible prior to any disclosure and in sufficient time to allow us to object to such disclosure and provide the Department the basis for our specific objections. We appreciate the Department's sensitivity to this matter and its cooperation in this regard.