

January 5, 2018

Barbara Gellman-Danley
President
Higher Learning Commission
230 South LaSalle Street, Suite 7-500
Chicago, IL 60604

Dear Dr. Gellman-Danley:

I am writing to express my support for Purdue University's proposal to acquire Kaplan University and create and operate NewU, a matter currently on the Commission's docket.

Having served as a commissioner at WASC, I know the complexity of the work accreditors do, and having served as a university administrator and college president, I know how consequential accreditor actions and engagement can be. Close conversations with accreditors can make institutions better, stronger, and more clearly focused on the outcomes that make their missions come alive. Thank you for doing this work.

From 2014 until January 2017, I had the privilege of serving as under secretary in the U.S. Department of Education, where I had responsibility for oversight of higher education programs, including the Department's higher education compliance and enforcement activities. In September 2017, I became president of the American Council on Education (ACE), representing nearly 2,000 institutions of higher education that span every sector of our community. Through this lens, I have come to an ever greater appreciation of the work our institutions do to serve their students and the larger public good in an era when the importance of higher education has never been greater for individuals and society. This comes, paradoxically, as a segment of the American population—particularly white, middle-class males who have little or no postsecondary education—have begun to question the value of a college degree despite all the evidence to the contrary. My support of the Purdue proposal to form NewU, and thereby launch a new public higher education institution, is informed by these experiences and perspectives. This groundbreaking project works toward an important objective for ACE and the entire higher education community: providing more avenues for colleges and universities to engage with the millions of Americans who are too often not benefiting from postsecondary education and mistakenly believe they will not derive value from it. This letter represents my personal views, as ACE does not make formal recommendations to our accreditor colleagues.

As you know well, traditional higher education institutions, no matter how excellent, struggle to extend their reach to the nontraditional adult learners who now make up half of the college-going population. Each year, you see and evaluate "substantive change" proposals that seek to enable institutions to innovate in ways that serve the 22-year-old returning veteran, the 30-year-old single mom, the first-generation college goer, the 50-year-old displaced worker, and the underprepared low-income high school graduate.

I view the Purdue NewU proposal in this light. It is, first and foremost, an effort by Purdue to extend its unquestioned tradition of educational excellence and its land grant mission by leveraging the tools, technologies, and practices that Kaplan has developed to reach more and different students.

The resources each partner brings to the table are substantial. Purdue has established a well-deserved reputation for excellence in teaching, research, and service. It has built a faculty that is second to none and is widely recognized as one of the nation's leading research institutions. Purdue has achieved this status without sacrificing its commitment to serve a broad range of students.

Kaplan, likewise, brings substantial resources to this proposed partnership. The first is a commitment to achieving high-quality outcomes for students. This has led to a massive investment in a learning platform that is, in my estimation, among the best in the country. The platform allows faculty to understand where students are academically and teach accordingly. The focus on outcomes and Kaplan's drive for continuous improvement has led it to invest in a set of student supports that provide scaffolding to students leading lives with multiple demands on their time, energy, and resources. It is a "lab" whose continued work promises insights not only for NewU but for Purdue and the wider field. Its ability to reach the very population that needs higher education the most will help NewU get a fast start at building to scale.

But for the elephant in the room, this might be an easy call.

Questions have been raised by colleagues for whom I have great respect and who have long sought to protect students from unscrupulous practices and rapacious institutions. The fear is this proposal could open the door to the kind of abuses that would harm students and institutions.

It will not.

It is wrongheaded to lump all for-profit colleges into the same bucket. Kaplan's results have been strong, and where they haven't, as in the failure of a number of their programs to meet the Gainful Employment thresholds, they have taken action to either remediate or close the programs. Then Sen. Tom Harkin (D-IA), in his report on the for-profit college industry in 2012, went out of his way to praise Kaplan by saying that, "Kaplan...has implemented the most significant reforms of any company [the Committee] examined." That's how we want institutions to react to troubling outcomes.

Kaplan has been a pioneer in creating protections for students. The "Kaplan Commitment" allows students to enroll, register, and take three weeks of coursework before having to pay for a class. This enables the student to determine whether the work is work they can do, and helps Kaplan to better understand what it will take to help the student be successful.

This proposed transaction more than passes muster for a number of reasons. While NewU will be organized and run as an independent non-profit, Purdue will maintain strong and effective oversight. Purdue will retain control over the entire operation, and will have a supermajority of NewU Board members (4-1). In addition, Kaplan Higher Education will maintain the same contractual responsibility that has now to Kaplan University to provide non-academic support to NewU. There is no change proposed that would enhance the income of any individual or shareholder, and Kaplan University's transfer of its assets to NewU at essentially zero cost makes it evident that the previous owners will not profit from the asset transfer.

The bottom line is that this transaction is being undertaken with the public interest in mind and appropriate protections in place for the students NewU will serve.

At the end of the day, leadership matters. President Daniels and the Purdue Board are committed to defending and extending the highest ideals of higher education in this country. And that's the point. This carefully designed, innovative initiative seeks to bring a Purdue quality education to tens of thousands of students who need access to the best we can provide for them. Putting Purdue in the driver's seat of one of the largest proprietary institutions in the country is a positive development for both institutions, the students they will serve, and American higher education. I hope you will agree.

I appreciate your consideration of my views and am happy to talk with you further.

With great respect,

A handwritten signature in black ink, appearing to read "Ted Mitchell". The signature is stylized with a large, looped "T" and a cursive "M".

Ted Mitchell
President