Myth #1:

**U of I is merging with the University of Phoenix (UOPX)**

Both universities will continue to operate independently. They will have unique governing boards, operate separately, and there are no plans to merge the institutions. We will not combine curricula, faculty, support programs, policies, etc.

Myth #2:

**U of I is purchasing the UOPX.**

U of I’s Board of Regents have formed a legally separate, independent, non-profit corporation called Four Three Education, Inc. (43EI). 43EI, not U of I, is purchasing the assets of UOPX. 43EI will place bonds to fund this purchase. After closing, 43EI will “do business as” the University of Phoenix. It will repay the debt using UOPX revenue. U of I is not contributing financially to the purchase.

Myth #3:

**U of I is taking on the liabilities of UOPX.**

The debt resulting from this transaction belongs to 43EI, not U of I or the state of Idaho. The same applies to any other liabilities of 43EI. UI may choose to take on specific responsibilities to assist the transaction and UOPX’s transition to a non-profit operation. For example, to secure better bond terms, U of I may choose to guarantee up to $10 million annually to cover the debt payment in the event UOPX cannot do so. These responsibilities will be finalized at closing. UOPX has strong financial stability, generates approximately $100 million of unrestricted cash flow annually, and $200 million of cash will be transferred to 43EI in addition to the regular working capital of the UOPX operation. In addition, 43EI will not pay income taxes or ownership dividends. We are confident that the UOPX will be able to fully fund all obligations.

Myth #4:

**U of I is only doing this for a financial benefit.**

Yes, the U of I will benefit from this transaction. We anticipate a minimum $10M annually; however, that is not the only reason for the affiliation. This affiliation provides greater financial security to U of I through diversification of programs and student populations. It is also a unique opportunity for the institutions to work together by sharing strengths and developing partnerships that will benefit one or both institutions. President Green is launching a working group to identify and prioritize these collaborative opportunities.

Myth #5:

**UOPX will take students away from U of I.**

UOPX is already a competitor to all Idaho institutions. U of I and UOPX serve largely different student populations, offer mostly unique programs, offer courses on a very different timeline (rolling calendar vs. semester), and have a nearly identical price. This transaction does not change these primary drivers for attendance decisions. Through the affiliation we may improve opportunities for students such as student pathways, 3+1 programs, etc.

Resources

**Webpage:** FAQ, memos, supporting documents, etc.

www.uidaho.edu/phoenix-faq

**Questions:**

phoenixquestions@uidaho.edu
NOTE: U of I may choose to take on specific responsibilities to assist the transaction and UOPX’s transition to a non-profit operation. For example, U of I may agree to guarantee UOPX up to $10M annually as emergency support; however, it is highly unlikely this would occur given UOPX’s strong financial position.