



For Immediate Release

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STATE BOARD APPROVES UNIVERSITY OF IDAHO'S PLAN TO PURCHASE UNIVERSITY OF PHOENIX ASSETS

The Idaho State Board of Education, in its role as the Board of Regents for the University of Idaho, today unanimously approved the institution's plan to purchase assets from the University of Phoenix, one of the nation's largest online higher education providers.

The University of Idaho has formed a not-for-profit corporation called "NewU, Inc.," that will buy assets and acquire some operating liabilities of the University of Phoenix and convert it from a for-profit institution to a public not-for-profit institution. The purchase price will be \$550 million.

NewU, Inc. will finance the purchase, closing costs, working capital and reserve funds by borrowing \$685 million through the issuance of bonds. Tax dollars will not be used in the transaction, but the University of Idaho will be responsible for covering up to \$10 million annually should NewU, Inc. miss payments on the bond debt. The State of Idaho will not be obligated to make any payments.

The University of Phoenix serves approximately 85,000 students nationwide. It is owned by a private equity firm that will contribute \$200 million that will transfer to NewU, Inc. for operating purposes. The University of Idaho expects to initially

receive \$10 million annually from NewU, Inc. Institution leaders expect that payment will grow over time.

The Board heard a detailed presentation on the transaction from University of Idaho President Scott Green and his team who have been in negotiations with the sellers since March. The sellers that required Green and involved staff sign non-disclosure agreements, but they were allowed to brief Board members during three executive sessions before bringing it forward today for Board consideration and action.

“I think this bold innovative move by the University of Idaho makes a ton of sense,” Board Member Kurt Liebich said. “The University of Phoenix is going after the growing market of adult learners and if we can tap into that market and create career pathways for all Idahoans no matter where they are in the educational journey, I think it’s going to be a huge homerun for this state.”

Board President Dr. Linda Clark noted that the State of Idaho has been working to build an online higher education platform for several years and that the University of Phoenix’s platform is advanced and already in place.

“A student’s address should not determine either the access or the quality of their education,” Dr. Clark said. “The Board is committed to leveling the playing field for students throughout Idaho. This acquisition will move us more quickly toward the 2017 Higher Education Task Force goal to expand online college delivery in our state.”

“This provides a great benefit for business and employees and students in Idaho,” added State Board Member Cally Roach.

The deal must still be approved by both institutions’ accreditors. If that occurs and other conditions are met, the purchase is expected to be finalized either later this year or in early 2024.

The University of Idaho has posted detailed information about the acquisition on its website: <https://www.uidaho.edu/president/communications/resources-information/university-of-phoenix-affiliation>

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