

Grand Canyon University Recent Actions and Concerns

Grand Canyon University (GCU) is owned and operated by the for-profit company Grand Canyon Education, Inc., traded on the NASDAQ under “LOPE.” In 2018, the for-profit company sold its school assets to Gazelle University, a nonprofit that immediately changed its name to Grand Canyon University, and tried to convert GCU to a nonprofit. The U.S. Department of Education denied this request. Although it maintains a campus in Phoenix, Arizona, it has approximately 80,000 online students.

Government and Private Actions

- In 2020, GCU lost a [case](#) in the 11th Circuit over its attempt to suppress a student’s right to sue for misrepresentation.
- In 2019, the U.S. Department of Education [denied](#) GCU’s application to be recognized as a nonprofit school. The Department determined GCU was still operating for the benefit of shareholders, who receive 60% of GCU’s tuition and fees.
- In 2017, GCU was [censured](#) by the Arizona State Board of Nursing for inadequate licensure passage rates and possible deceptive recruiting.
- In 2018, the U.S. Federal Trade Commission [shut down](#) several fake military websites, including “Army.Com” and “NavyEnlist.Com,” which *“targeted people seeking to join the armed forces and tricked them by falsely claiming to be affiliated with the military in order to generate sales leads for post-secondary schools.”* GCU was one of the schools [listed](#) as a “Partner School” of Army.com.
- In 2013, GCU was [fined](#) \$1.75 million by the U.S. Department of Education for failing to comply with the ban on incentive compensation for recruiters.
- In 2010, GCU [settled](#) a lawsuit, brought under the False Claims Act, for \$5.2 million over allegations that it had violated the ban on incentive compensation for recruiters.
- The 2012 U.S. Senate HELP Committee [reported](#) that GCU recruiters were taught to create *“a sense of urgency”* and ask *“probing questions, which slowly peel away pain layers.”* GCU would seek out the *“most vulnerable military populations, sometimes recruiting directly from wounded warrior centers and veterans’ hospitals.”*

Student Outcomes

- According to the U.S. Department of Education’s College Scorecard [data](#) (referenced February 6, 2021),
 - 65% of full-time, first-time undergraduates return to GCU after their first year at the school.
 - However, only 33% of students graduate within eight years of entering GCU (counting full-time, part-time, and transfer students). Another 36% of students withdraw within eight years, and 30% transfer elsewhere.
 - After graduation, GCU students have a median total debt of \$18,090 to \$40,231. 33% of students with federal loans are either not making progress, defaulted, or delinquent in their repayment after two years.

Other Concerns

- Despite numerous [complaints](#) about high pressure enrollment tactics, GCU [prides](#) itself on defeating a lawsuit by former students who could not obtain licensure in their state because GCU placed a disclaimer in the fine print of its enrollment agreements.
- GCU is facing at least four active lawsuits from students who allege GCU makes its doctoral students take [extra classes](#) in order to extract additional tuition payments; fails to [refund](#) tuition money to students who drop classes; lacks [accreditation](#) required for students to benefit from their degrees – and lies to students about this key fact; and leaves students unable to obtain [licensure](#) for specific jobs.
- Veterans Education Success has received more than 50 complaints from GCU students, alleging GCU lied about its tuition price, job placement rates and career assistance, students' ability to transfer credits, and delay tactics used to keep students enrolled longer and paying more money.
- As of February 2021, [VA](#) has received 13 complaints against the school just in the last 24 months. 31% were about recruiting and marketing practices, and 15% were about accreditation.
- Only 14.7% of the GI Bill tuition funds received by Grand Canyon in 2017 were [spent](#) on instruction. Similarly, in 2012, a Senate report found GCU [spent](#) much more on marketing and profit than on instruction.