



January 14, 2022

Chancellor Eloy Oakley  
Deputy Chancellor Daisy Gonzales  
California Community Colleges Chancellor's Office  
1102 Q Street, 6th Floor  
Sacramento, CA 95811

**RE: Concerns Regarding the MOU Signed Between the CCCCCO and APUS**

Dear Chancellor Oakley and Deputy Chancellor Gonzales,

We represent a group of student, veteran, consumer, civil rights, and higher education advocates focused on ensuring that higher education students in California have access to high-quality educational opportunities that lead to brighter futures and do not leave them with unmanageable debt. We are writing to express concern regarding the recent Memorandum of Understanding (MOU) the Community College Chancellor's Office (CCCCO) signed with the American Public University System (APUS) and their affiliate American Military University (AMU).

We strongly support the California Community Colleges' (CCC) goal to "...provide students [with] a high quality, low-cost pathway to a meaningful college degree and credential."<sup>1</sup> We also share the CCCCCO's concerns regarding the barriers that California Community College students face in transferring to other public colleges within California, and the desire to expand high-quality transfer pathways. However, we believe that the MOU with APUS contradicts the CCC's overarching goals to ensure equitable educational outcomes and puts students at risk.

We believe the Key Performance Indicator (KPI) document that was used to evaluate this agreement was missing vital information on several points. First, as an online for-profit institution with no physical presence in California, APUS is not approved by the Bureau for Private Postsecondary Education (BPPE). Under APUS's "registration" with BPPE, California

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<sup>1</sup> Oakley, E. (2018, April 24). California Community College Chancellor Eloy Ortiz Oakley Written Comments [Written comments]. Education and Labor Subcommittee.  
<https://edlabor.house.gov/imo/media/doc/OakleyTestimony042419.pdf>

has limited authority over APUS, and APUS is not required to follow the vast majority of California’s robust consumer protection laws that govern in-state private postsecondary institutions. As just one example, institutions governed by BPPE’s full suite of consumer protection laws are explicitly prohibited from using a name that implies that the institution is a public institution.<sup>2</sup>

Second, as an out-of-state institution with no physical presence in California, APUS is not eligible for Cal Grant and other state aid programs, making it a less affordable option for low-income students who would qualify for Cal Grants. This is particularly relevant considering the recent creation of the Cal Grant Community College Entitlement, which provides many non-traditional community college students with a Cal Grant that follows them as they transfer to UC and CSU.

Third, and most importantly, the KPI document did not include information relating to APUS and AMU’s history of misleading marketing to veterans. In 2018, the Massachusetts Attorney General announced a settlement with APUS over allegations that AMU failed to make required disclosures to prospective students about job placement, loan repayment, and graduation rates. The AG also alleged that AMU engaged in “predatory enrollment tactics, including making excessive recruitment calls,” and that AMU’s “name and other visual images suggest it is part of the United States Armed Services, but the company in fact is not part of the U.S. Military and is not affiliated with it.”<sup>3</sup>

We share many of the concerns voiced by Board of Governors members at the November 15, 2021 meeting, and urge the CCCCO to terminate the agreement with APUS and take steps to create clear criteria for future MOUs that provide high-quality educational opportunities and outcomes for California’s students. To better protect students we recommend the CCCCO focus on agreements with in-state public and nonprofit institutions, require that institutions be accredited and eligible for Title IV and Cal Grant funding, and pass the Attorney General’s check for institutions as established in A.B. 70 (2020).<sup>4</sup> Criteria should also prohibit agreements with for-profit institutions operating online from out-of-state, given the high risk, limited oversight, and reduced consumer protection presented by these institutions. Finally, we recommend that the CCCCO explore the possibility of data sharing agreements rather than MOUs where additional data is desired, and that the use of CCC branding be limited and closely monitored.

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<sup>2</sup> See California Private Postsecondary Education Act of 2009, Article 8: Fair Business Practices § 94897(1)(2).

<sup>3</sup> Office of Attorney General Maura Healey. (2018, August 8). *American Military University Pays \$270,000 for Alleged Failure to Disclose Job Prospects, High-Pressure Enrollment Tactics: AG Haley’s Latest Action Against Online, For-Profit Schools Targeting Veterans* [Press Release]. <https://www.mass.gov/news/american-military-university-pays-270000-for-alleged-failure-to-disclose-job-prospects-high-pressure-enrollment-tactics>

<sup>4</sup> A.B. 70, 2020 Assembly, 2019-2020 Reg. Sess. (CA, 2020).

[https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill\\_id=201920200AB70#:~:text=An%20act%20to%20amend%20Section,State%20September%2025%2C%202020.%20%5D](https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201920200AB70#:~:text=An%20act%20to%20amend%20Section,State%20September%2025%2C%202020.%20%5D)

Thank you for your time and we look forward to the conversation on this important issue at the Board of Governors meeting on January 24, 2022. Please feel free to reach out to Angela Perry with any questions at 510-318-7902 or [APerry@TICAS.org](mailto:APerry@TICAS.org).

Sincerely,



Ed Howard  
Senior Counsel  
**Children's Advocacy Institute**



Ted Mermin  
Executive Director  
**Public Good Law Center**



Robert Herrell  
Executive Director  
**Consumer Federation of California**



Jessie Ryan  
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Karen Stefano  
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**The Century Foundation**



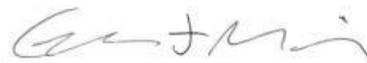
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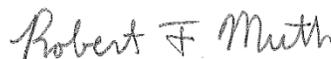
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Robert Muth  
Managing Attorney  
**Veterans Legal Clinic**



Mahmoud Zahriya  
Western Regional Director  
**Young Invincibles**

CC: Honorable Members of the California Community Colleges Board of Governors