United States Senate
WASHINGTON, DC 20510

September 19, 2018

Mr. Michael Berghoff
Chairman
Board of Trustees
Purdue University
Hovde Hall, Room 247
610 Purdue Mall
West Lafayette, IN 47907

Dear Chairman Berghoff:

We write today to share our disappointment that Purdue University has continued the for-profit college industry practice of forcing students to agree to pre-dispute mandatory arbitration and class action bans as a condition of enrollment at its Purdue University Global – newly acquired from Kaplan. We urge the Board of Trustees (Board) to immediately end this practice.

Almost a year ago, we sent a letter to President Mitch Daniels – to which we have still not received a written response – sharing our concerns about Purdue University's acquisition of the troubled, predatory Kaplan University. At that time, we raised the issue of mandatory arbitration and urged that Purdue take steps as part of any final transaction to implement protections for students, including ending this harmful practice. We are disappointed to learn that the practice has continued under Purdue's watch.

Mandatory arbitration clauses and class action bans prevent students from bringing suit, either individually or as part of a group, against a school in a court of law when the school's misconduct has caused the students harm. Instead of the protections of the legal system, students are forced into a dispute resolution process which lacks the procedures and precedents of the court system and is meant to favor the school. Arbitration proceedings and decisions are secret which hides misconduct from regulators, accreditors, and – importantly in the case of Purdue University – the public. The clauses themselves are often buried in the fine print of stacks of enrollment documents that students must sign in order to attend classes.

While a hallmark of the for-profit college industry – used by predatory companies like Corinthian and ITT Tech – mandatory arbitration in student enrollment is almost unheard of at public and legitimate private, not-for-profit institutions. In fact, the Association of Public and Land-Grant Universities (APLU) – of which Purdue is a member – has, in the past, joined the Association of Community College Trustees, American Association of Collegiate Registrars and Admissions Officers, and the National Association of Independent Colleges and Universities to express how rarely, if ever, mandatory arbitration is used in enrollment by public and not-for-

profit institutions. In an August 30 public comment letter to the Department of Education on the Borrower Defense rule, APLU joined other American Council on Education members in writing that the use of pre-dispute arbitration clauses and class action waivers "limits borrowers' options in seeking redress…and provides protection to institutions that are acting against the interests of students. We fail to see how allowing [pre-dispute mandatory arbitration clauses and class action waivers] is beneficial to the public."[1]

In a recent statement to *Inside Higher Ed*, a Purdue spokesman seemed to downplay the use of mandatory arbitration and class action bans in student enrollment as something "inherited from Kaplan." Yet, the spokesman went on – in a thinly veiled swipe at critics of the Purdue-Kaplan transaction – to emphatically assert that the Board "has complete control over Purdue Global, and has the final say as to which policies it retains, and which it alters. The fact that the board has complete authority to operate the new university as it sees fit and to enact whatever policies it deems to be in the interest of students is one that only the most unaware critics struggle to grasp."[2]

Purdue cannot have it both ways. Either the continued use of mandatory arbitration and class action bans in student enrollment are a remnant of Kaplan that the Board disavows – in which case the Board should use its authority to immediately end the practice – or the Board must accept responsibility for the practice continuing under its control and acknowledge pre-dispute mandatory arbitration as an affirmed Purdue policy that it "deems to be in the interest of students." The choice is yours.

We look forward to your prompt response.

Sincerely,

Richard J. Durbin
United States Senator

Sherrod Brown
United States Senator

Cc: Mr. Thomas Spurgeon, Vice Chairman
Mr. Michael Klipsch, Trustee
Ms. JoAnn Brouillette, Trustee
Ms. Vanessa Castagna, Trustee
Mr. Malcolm DeKryger, Trustee
Mr. Sonny Beck, Trustee
Mr. Gary Lehman, Trustee
Mr. Daniel Romary, Trustee
Mr. Don Thompson, Trustee

[1] American Council on Education Senior Vice President Terry Hartle to U.S. Department of Education regarding proposed rule on borrower defenses to repayment. Docket ID ED–2018–OPE–0027. August 30, 2018. Retrieved from https://www.acenet.edu/news-room/Documents/Community-Borrower-Defense-Comments.pdf

[2] Toppo, Greg. "Purdue Demands Students Waive Right to Sue." *Inside Higher Ed*. August 29, 2018. Retrieved from https://www.insidehighered.com/quicktakes/2018/08/29/purdue-global-demands-students-waive-right-sue