

May 4, 2023

Michael V. Drake  
President  
University of California  
1111 Franklin Street  
Oakland, CA 94607

**Re: Completing the Work of Protecting Students from Predatory Online Programs**

Dear President Drake,

We write today to express our strong support for your announcement in February 2023 that the University of California (UC) would protect students from potentially predatory online programs by banning fully online degrees.<sup>1</sup> As advocates for students and student loan borrowers, we believe this action is a great step in the right direction, and that it will help ensure that UC upholds its promise to deliver quality education across the Golden State. As you are aware, research shows that online programs often leave students with large debt balances even while failing to teach them the skills necessary to secure employment in their field of study, leading to low job placement and high default rates on student loans.<sup>2</sup> Additional research indicates that online programs tend to target Black and low-income students, concentrating negative educational and student loan outcomes among already marginalized populations.<sup>3</sup>

Now, the UC system has the opportunity and responsibility to complete the work of protecting students from predatory programs by also banning online non-degree courses such as vocational training bootcamps.

Like many Title IV-eligible institutions, UC has recently begun to offer short-term, non-degree online programs, including ones offered via third-party contractors called “online program managers” (OPMs). These courses are not eligible for Title IV funding, and internal documents from institutions that offer them reveal that administrators see these programs as more of a revenue driver than as a locus of learning.<sup>4</sup>

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<sup>1</sup> [https://senate.universityofcalifornia.edu/\\_files/reports/2023-revisions-to-sr-610-630.pdf](https://senate.universityofcalifornia.edu/_files/reports/2023-revisions-to-sr-610-630.pdf)

<sup>2</sup> See, e.g., <https://tcf.org/content/commentary/how-online-college-hurts-more-than-it-helps/>

<sup>3</sup> <https://www.researchcghe.org/publications/working-paper/promising-or-predatory-online-education-in-non-profit-and-for-profit-universities/>

<sup>4</sup> See, e.g., <https://senate.uconn.edu/wp-content/uploads/sites/1323/2019/10/2019-10-07-Senate-Minutes-Final-Draft-1.pdf#page=19>

These online certificate programs rarely leave students with the skills necessary to earn enough to pay off the debts they accrue in pursuit of their education.<sup>5</sup> Data from one OPM show that fewer than one-in-three bootcamp students who enroll with the goal of securing a STEM job ultimately do so, and that the job placement rate for Black students is closer to one-in-four.<sup>6</sup> In addition, more than half of the same OPM's bootcamp attendees reported that their course of study ultimately had "no impact" on their job prospects, despite costing thousands of dollars.<sup>7</sup>

The outcomes associated with these online non-degree courses are reflected in bootcamp students' harrowing personal narratives: many students report being lured in by a public college's respectable and trusted brand, only to be buried in debt for a useless credential. Often, students do not understand until after enrollment that a given bootcamp is operated by an OPM and not the Title IV school whose name the company is renting.<sup>8</sup> Many attendees express that they would not have enrolled in such a course if they had known that a private company was providing it.<sup>9</sup> However, by the time they realize they were misled, many of these students have already taken on thousands of dollars of risky, expensive, and fee-riddled private loans.<sup>10</sup>

In addition, a growing body of evidence points to predatory practices that adversely affect students when schools partner with OPMs to offer online non-degree bootcamps. First, a range of troubling contractual terms in the arrangements between OPMs and Title IV colleges have come to light,<sup>11</sup> including provisions that can penalize a university if it "lowers tuition, raises admissions standards, or otherwise reduces revenue."<sup>12</sup> Terms like these can lead OPMs to hold universities captive in ways that disadvantage both the school and its students.<sup>13</sup> For instance, one contract between UCLA and an OPM requires UCLA to "set the tuition price *as high as the market will bear*, and [the OPM] has the right to veto the price set by UCLA."<sup>14</sup>

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<https://protectborrowers.org/pushing-predatory-products-how-public-universities-are-partnering-with-unaccountable-contractors-to-drive-students-toward-risky-private-debt-and-credit/>

<sup>6</sup> <https://news.gallup.com/opinion/gallup/392477/tech-boot-camps-linked-higher-pay-stem-jobs-grads.aspx>

<sup>7</sup> <https://2u.com/latest/2021-gallup-2u-boot-camp-graduates-study/>, <https://twitter.com/kennybauf/status/1534966526431875097>

<sup>8</sup> [https://www.reddit.com/r/codingbootcamp/comments/jonwhg/various\\_universities\\_offering\\_the\\_same\\_bootcamp/](https://www.reddit.com/r/codingbootcamp/comments/jonwhg/various_universities_offering_the_same_bootcamp/)

<sup>9</sup> <https://protectborrowers.org/wp-content/uploads/2022/06/Hearing-Statement-J.-Hammond.pdf>

<sup>10</sup>

<https://protectborrowers.org/pushing-predatory-products-how-public-universities-are-partnering-with-unaccountable-contractors-to-drive-students-toward-risky-private-debt-and-credit/>

<sup>11</sup> <https://escholarship.org/uc/item/7p0114s8>,

<https://tcf.org/content/about-tcf/tcf-analysis-70-university-opm-contracts-reveals-increasing-risks-students-public-education/>

<sup>12</sup>

[https://www.warren.senate.gov/imo/media/doc/2022.01.14%20Follow%20up%20letter%20to%20Online%20Program%20Managers%20\(OPMs\).pdf](https://www.warren.senate.gov/imo/media/doc/2022.01.14%20Follow%20up%20letter%20to%20Online%20Program%20Managers%20(OPMs).pdf)

<sup>13</sup> <https://cshe.berkeley.edu/publications/private-side-public-universities-third-party-providers-and-platform-capitalism-laura-t>

<sup>14</sup> <https://tcf.org/content/about-tcf/tcf-analysis-70-university-opm-contracts-reveals-increasing-risks-students-public-education/>;  
[https://production-tcf.imgix.net/assets/OPM\\_contracts2/UCLA+Extension+%26+Trilogy+Education+Services%2C+Inc.PDF](https://production-tcf.imgix.net/assets/OPM_contracts2/UCLA+Extension+%26+Trilogy+Education+Services%2C+Inc.PDF)

In addition, reports indicate that OPMs use a variety of deceptive and aggressive recruitment tactics to drive students to enroll,<sup>15</sup> including using Title IV institutions' branding and email addresses to bait and deceive students.<sup>16</sup> Worse, research shows that OPMs frequently target their predatory enrollment tactics toward students of color.<sup>17</sup>

Currently, UC has non-degree bootcamps at at least the following schools:

- University of California, Berkeley<sup>18</sup>
- University of California, Davis<sup>19</sup>
- University of California, Irvine<sup>20</sup>
- University of California, Los Angeles<sup>21</sup>
- University of California, Riverside<sup>22</sup>
- University of California, San Diego<sup>23</sup>
- University of California, Santa Barbara<sup>24</sup>

To our knowledge, no one, including the U.S. Department of Education, measures the outcomes for online students at these institutions.<sup>25</sup> However, evidence is emerging that bootcamps at UC schools could already be a locus for student harm. For example, the bootcamp available at the University of California, Irvine was recently the subject of a news report suggesting that the underlying OPM could be engaging in many of the same predatory market-wide practices cited above.<sup>26</sup> This report noted that UC Irvine administrators have taken laudable action to rein in the company's conduct, including by halting the use of ".edu" email addresses by the OPM's employees in an effort to avoid student confusion. Still, more action is necessary.

For decades, UC has led the nation in uplifting students and affirming higher education as a key public good. Now, UC has the opportunity to build on the commendable work it has begun to protect students from low-quality online courses. The UC system has already banned fully online degree courses; it should now simply do the same for fully online non-degree programs.

Sincerely,

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<sup>15</sup> <https://www.wsj.com/articles/that-fancy-university-course-it-might-actually-come-from-an-education-company-11657126489>

<sup>16</sup> Id.

<sup>17</sup> <https://protectborrowers.org/opm-contracts-reveal-risks-for-students-and-universities/>

<sup>18</sup> <https://bootcamp.berkeley.edu/coding/>

<sup>19</sup> <https://bootcamp.ucdavis.edu/>

<sup>20</sup> <https://bootcamp.ce.uci.edu/>

<sup>21</sup> <https://bootcamp.uclaextension.edu/>

<sup>22</sup> <https://bootcamp.extension.ucr.edu/>

<sup>23</sup> <https://bootcamp.extension.ucsd.edu/>

<sup>24</sup> <https://quickstart.professional.ucsb.edu/>

<sup>25</sup> [https://protectborrowers.org/wp-content/uploads/2022/06/SBPC\\_TCF\\_CFPB-OPM-letter.pdf](https://protectborrowers.org/wp-content/uploads/2022/06/SBPC_TCF_CFPB-OPM-letter.pdf)

<sup>26</sup> <https://www.chronicle.com/article/i-blame-the-university-when-coding-boot-camps-dont-pay-off?>

Student Borrower Protection Center

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