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September 16, 2010

**BY HAND**

The Honorable Tom Harkin, Chairman  
United States Senate  
HELP Committee  
Washington, D.C. 20510-6200

**Re: Rasmussen, Inc. Document Production / Second Series**

Dear Chairman Harkin:

We are writing in further response to your letter dated August 5, 2010, to Rasmussen, Inc. requesting certain documents and information regarding Rasmussen, Inc.'s for-profit college operations. We represent Rasmussen, Inc. in this inquiry. We again note that we are producing only information and documents regarding Rasmussen College and providing no information regarding Rasmussen's other businesses. This letter transmits responses to Document Requests:

Request	Bates Range
1	RAS00003095 - RAS00003095
2	RAS00003096 - RAS00003096
3	RAS00003097 - RAS00003098
4	RAS00003099 - RAS00003104
5	RAS00003105 - RAS00003124
6	RAS00003125 - RAS00003125
8	RAS00003126 - RAS00003131
10	RAS00003132 - RAS00003136
11	RAS00003150 - RAS00003248
13	RAS00003249 - RAS00003526
16	RAS00003527 - RAS00003825
18	RAS00003826 - RAS00004145
19	RAS00004146 - RAS00004168
20	RAS00004169 - RAS00004327
21	RAS00004328 - RAS00004344

SENATE RULE  
CONFIDENTIAL COMMITTEE INFORMATION

Additional Supporting Documentation  
Document 25, Page 1

Request	Bates Range
22	RAS00004345 - RAS00004375
24	RAS00004376 - RAS00004393
25	RAS00003137 - RAS00003143
26	RAS00003144 - RAS00003144
28	RAS00003145 - RAS00003148
29	RAS00004394 - RAS00004722
31	RAS00004723 - RAS00005446
37	RAS00003149 - RAS00003149

We will produce responses for Document Requests 14 and 15 under a separate cover. We produce these documents pursuant to Senate Rule XXIX and request that you treat this information as Committee Confidential under that Senate rule. Because we are providing these documents pursuant to a Congressional demand letter, we understand that we waive no otherwise applicable privileges that exist in state or federal court.

Because the Second Series of requests seeks more detailed information, we provide below additional explanation detail for certain items:

Document Request 5

We have attached a table indicating the formal student complaints we have received since October 2005. We have removed the student names from the list as discussed with your staff. The policy regarding student complaints and the grievance policy is found in the College Catalog beginning on page 60, which is also attached.

Document Request 7

We do not have any formal policies or plans for tracking 90/10 in accordance with the regulations. Informally, we run the 90/10 metric on a monthly basis by OPEID to ensure we are in compliance. Our auditor then performs testing and computation of the 90/10 calculation each year as part of our federal financial aid audit.

Document Request 8

We have not tracked 90/10 at a campus-based level. It has been tracked at an OPEID level as that is how it is reported in our annual audited financial statement to report compliance. Attached is a table indicating the 90/10 results by OPEID for the last four fiscal years.

Due to the College's participation in state grant programs, 90/10 has not been an issue for five of our six OPEIDs as you will see in the table provided in item 8. For our Florida OPEID, we have monitored 90/10 more closely as we have been closer to the 90% threshold than our other OPEIDs. Based on the consolidation of our OPEIDs as requested by ED and described in the first set of information submitted, our 90/10 will remain low on a consolidated basis.

Document Request 10

We have several tables indicating the cost of Rasmussen College's programs that were offered as of January 2010. Over the years, we have changed our pricing model, attempting to move to a simpler, easier to understand model. In 2008, we eliminated all fees and charges other than tuition. As a part of this change we rolled the cost of books and supplies into tuition.

Books for the upcoming quarter are shipped to the student once they have confirmed their schedule. It is important to note that the percentage change in tuition went up more than usual in 2008 due to the change in structure to include books.

Additionally, we have used scholarships to encourage students to take additional classes in order to graduate sooner, begin their career and reduce their debt.

Tuition increases have taken place in October of each year. While the tables show the difference in cost of program by state, we have not charged different rates for online versus residential with one exception. When we moved to including books and supplies in tuition, in 2008 we charged a slightly higher tuition for some of the advanced multimedia IT courses. We provided software for these students for these classes online. The next year, we moved to provide that software to all students and eliminated the differential in price.

#### Document Request 11

We have a number of documents related to tuition increases. Each year letters are sent to students informing them any changes in tuition. Also, tuition sheets have been created in recent years that are used to explain tuition to prospective students. The presentations that were used to rollout tuition to the employees of the College are included. Finally, a file is attached which was a model we used a year and a half ago to begin examining the return on investment for students who attend Rasmussen College. This is an example of the analysis we did to ensure our pricing provided value to our students and to keep only high valued programs for our students.

#### Document Request 12

We do not have any policies, plans, practices and procedures concerning any required student payments. If a student is able to fully fund his/her education through Title IV funds, private lending, institutional and external scholarships or any other means, no student payment is required.

#### Document Request 13

Rasmussen College currently partners with a number of "lead generator" companies to provide qualified inquiries to our College. While this channel is one that is of value to us, in that it currently represents approximately 23% of our new student enrollments each quarter, it is one in which we are also constantly monitoring.

Unlike many schools, Rasmussen College manages its relationships with these aggregators ourselves and we do not use any agency support in this area. We have two dedicated team members that support this channel, and their responsibilities are to identify new partnerships and to manage existing relationships. Early on when we first started working with these vendors we realized that while they can provide strong value, there is also inherent risk in working with them.

In a survey we conducted in 2009, of students who had enrolled with us and came to us through an aggregator, we found that more than 50% had actually heard about Rasmussen first through one of our current students or one of our other marketing channels. For example, 17% of our new students who filled out an inquiry form expressing interest in Rasmussen through one of our aggregator partners actually were referrals from other current students. Thus these aggregators are essentially extensions of our College brand, which we have spent 110 years building. If a student is searching for a program and comes to Rasmussen through one of these

aggregators, it is imperative that they have a good experience throughout their online information gathering process - an experience akin to what they would have were they to come directly to us through our website or campus.

For that reason, we have always operated with a very clear set of operating principles with respect to our aggregator partners. We do not purchase “co-registered” inquiries, and we have a zero tolerance policy for any vendors that use any questionable marketing tactics (ex: “fill out this form and win a Wii!” type tactics). In the rare instances where we have identified partners using these types of marketing tactics we have severed relationships. This zero tolerance policy is one of the key reasons why we have made the decision to not outsource any part of our inquiry aggregator operations. We believe it is of critical importance that our prospective students have a positive experience and receive accurate data while they are seeking information about our College.

Our mode of operation with these partners is fairly straightforward. We have a negotiated cost per inquiry that we agree to pay to them for each unique inquiry they deliver to us. On a quarterly basis we work with the vendor to establish goals for the number of inquiries we would like them to provide to us, and this is an iterative process, whereby we will give them a number and they will come back with what they believe they can provide. Throughout the quarter we will frequently re-evaluate and reset these goals based on inquiry to enrollment conversion metrics. We are invoiced monthly by each of the vendors, and we undergo a reconciliation process where we scrub out duplicate inquiries.

We have the contracts and agreements for the requested period with lead generation vendors as well as a table indicating the number of contacts provided by each vendor.

#### Document Request 16

The College has various policies, practices and procedures that were requested as part of item 16. These policies are listed within the College’s Catalog for students, faculty and staff. If a policy for this item is not included in the catalog, we have outlined the practice for the College in the attachment for this section along with the catalog page numbers where a particular item may be found. The catalogs are attached for reference on these policies.

#### Document Request 17

We do not and have not recruited in or near Department of Defense or Veterans Affairs rehabilitation facilities, wounded warrior transition units, homeless shelters, welfare and unemployment offices, or substance abuse and treatment centers. We do have relationships with the workforce development agencies in our communities; we do not recruit in those locations and the development agencies refer prospective students to our campuses, if our programs match the employment goals of the job seekers.

#### Document Request 18

Rasmussen College Student Financial Service (SFS) employees receive constant supervision and training by qualified leaders through staff meetings, calls, and email directives. Each new employee is provided an overall skeleton training plan to map out the beginning steps of learning; a sample is attached. In addition, each Director of SFS (DSFS) is evaluated on an annual basis on the important concepts that are critical to training and supervising staff along

with overall program integrity; a sample is attached. DSFSs are also required to attend semi-annual meetings to address further industry and institutional changes.

In the first four weeks of employment each employee is required to complete the Federal Student Aid (FSA) Coach provided by the US Department of Education found at [www.ifap.ed.gov](http://www.ifap.ed.gov) and to begin reading the US Department of Education FSA Handbook. The employee must provide to their direct supervisor evidence of completion of the federal Coach training available and offer weekly updates as to the progressive reading assignment. In addition, Rasmussen College requires that each employee complete a course structure provided by an online vendor in the first 90 days of employment with the same requirement to provide a transcript from the system to show completion of that task. Other important manuals for training include guidance delivered from our servicer (examples attached), the Rasmussen College Policy and Procedure manual (attached), and the US Department of Education Blue Book (found online at IFAP).

Rasmussen College is a member of NASFAA and utilizes the updates and announcements provided by this and other state and local associations to respond to constant industry updates and changes.

The College maintains a web portal to share information, provide forms, and establish policy guidelines. This portal is constantly updated with information from SFS leadership and serves as an excellent method of delivery of training and supervision of employees. Through training meetings held throughout the year, along with phone calls and updated guidance through email, we are confident that we provide excellent guidance to our employees in the field. The College does not provide scripts to employees in working in the department – new employees are required to “shadow” meetings with students and veteran employees to learn first-hand what information must be shared with students. No new employee is allowed to meet with a student until the supervisor of the team feels that the employee has the knowledge and skills to guide students through the process.

#### Document Request 19

We have the policies and procedures for returning Title IV funds when a student withdrawals from Rasmussen College. We have centralized the process of refunds due to the complexity of the calculations. A flow chart is attached which shows our refund process along with our institutional refund calculation and other process outlines. The College follows the guidelines from the US Department of Education Federal Student Aid Handbook. Additionally, the policies for the College are outlined in the catalog. If a student stops attending for 21 days, the student may be dropped, especially if they have not been in contact with the Institution. This 21-day policy is also outlined in the catalog. The policies are included in the College Catalog. A table is attached which indicates which pages of the catalogs where the policies can be found. The Catalogs are included in Item 16.

#### Document Request 20

Rasmussen College has historically had low default rates. For our Florida campuses, we chose to outsource our loan management responsibilities in late 2005. Based on the performance of the vendor we chose, we were not satisfied with their result and have since stopped placing any new students with that vendor.

During that time, we started building a stronger centralized team to provide loan management support to all of our campuses. We currently have seven individuals who work with students by educating them on their student loan obligations and their repayment options. The group earned recognition throughout the industry earning a merit achievement award from USA Funds guarantee agency.

Document Request 22

In terms of the change from two to three-year cohort default measurement period, we monitored the change closely as it was being debated in Congress in 2008. The tools that we had available to us from ED and NSLDS were not robust in terms of being able to effectively predict our three-year rates. We did attempt to project these rates in September of 2008 (the presentation is included) but were substantially off in our projections. In September of 2009, ED released illustrative data on the change to the three-year CDRs. While we believed the rates would be higher than our historically low two-year rates, we were surprised with the jump that we saw in the results.

We are in the process of developing a more robust financial literacy program for newly enrolled students to make sure they understand their debt obligations for loans that they take out for their education. Our goal is to better educate students upon enrollment about the cost of their education and how to be successful at managing that debt upon graduation.

Document Request 23

We have not and do not make any payments or payoff of Title IV loan and replace those loans institutional or private loans so we have no documents regarding this request.

Document Request 24

While we did put in place an institutional loan program, it has since been cancelled and was very small and short-lived. In total we disbursed \$51,792 for 10 students. It was put in place when the credit markets were tightening up to provide options for our students if the lack of funding reached that point. Fortunately, our students were still able to fund their education through primarily Federal sources.

All institutional loans that were made were reserved at 100% on our balance sheet to take the most conservative view of these loans and not having any experience with this type of lending.

We have the documents regarding our institutional loan program, the Rasmussen Education Achievement Loan (REAL).

Document Request 25

We have the contract we put in place with National Loan Servicing Center, Inc. (NLSC) to manage the institutional loan program we developed. No new loans have been written since 2009 when we cancelled the program. During the time of the program, we owned 100% of the loans and at no time did NLSC own the loan note.

Document Request 27

The program was small and short-lived. We never did an analysis of the lending program. The program only disbursed \$51,792 for 10 students when it was active.

Document Request 28

We have the list of past and present employees requested by area of responsibility for the Eden Prairie campus. This table provides the employees as well as other positions they have held within the organization. Employees who are no longer employed by the College are listed as “inactive.” If an employee is listed as inactive, we have listed the last known address and phone number we have for that individual.

Document Request 29

We have the documents included in the enrollment package for a student. The documents with an EA in the name are the enrollment documents including the enrollment agreement, any documents regarding placement and employment and any other enrollment disclosures and signoffs.

Rasmussen College does not currently offer institutional loans to any students, so no additional disclosures are necessary. During the time institutional loans were offered, those forms can be found in Item 26. All federal loans are generated through the Federal Direct Lending Program (FDLP) at this time – loan disclosures are a part of the lending process through signature of the master promissory note provided by the Department of Education and we, as an institution, do not require further documents. Prior to this award year, using a combination of FFEL and FDL, the same practice applied. In addition, private loans certified by the institution contain the disclosures required and at no time does Rasmussen College require further disclosure information.

In certain instances, a student will choose to make payments monthly throughout a given quarter. If a student chooses to make payments via this option, the student will sign an institutional payment plan. This plan is good for one quarter and no interest or fees are charged. This is simply a means for students to make monthly payments during a given quarter. Attached is an Institutional Payment Plan.

Document Request 31

We have the documents requested relating reviews and inquiries by our institutional accrediting agency, the Higher Learning Commission (HLC). HLC has conducted three visits to the College in relationship to the Eden Prairie Campus since 2006.

The first of these visits occurred in 2006 that was a focus visit. The purpose of the focused visit was to evaluate institutional change within the context of the College’s mission. The visit was held in Brooklyn Park so the team was able to verify this new campus as required by the HLC and the United States Department of Education. In addition, the College requested that the team consider a new baccalaureate credential and a request to offer associate degree programs online without stipulation. The College had a very positive outcome. In fact, the team stated that the College was indeed stronger in 2006 than it was in 2004 and recommended approval of the first Rasmussen College baccalaureate degree and the ability to offer associate degrees online.

The second visit was in relation to our move of the current Eden Prairie campus from its previous location in Minnetonka, MN (approximately eight miles north of the current campus). This visit was a portion of a larger review in which we requested HLC to merge the North Dakota and Florida campus into the Rasmussen College grant of accreditation. The result of this

visit was that we were allowed to merge the institution under one umbrella accreditation and the Eden Prairie campus move was also approved.

The third visit was for our 2009 comprehensive reaccreditation review. In this visit the team evaluated the entire College. We are very proud of the outcomes of this visit. We received an additional 10-year grant of accreditation from the Commission, the longest grant an institution can receive from HLC. In addition to the 10 year grant of accreditation, the College was approved for HLC new streamlined campus approval process and granted the authority to offer a broader base of baccalaureate degrees both at residential campuses and online. The team report gives a clear view of the positive impression the team had of our institution.

Document Request 33

As mentioned in Item 7, we do not have any formal policies or plans for tracking 90/10 in accordance with the regulations. Informally, we run the 90/10 metric on a monthly basis by OPEID to ensure we are in compliance. Specifically, for the Eden Prairie campus, due to the generous state grant program in the State of Minnesota, 90/10 is never an issue at this campus/OPEID. Over the past four years, the 90/10 ratio has ranged from 71% to 74%.

Document Request 37

While we are not required to track placement as a result of being accredited by the Higher Learning Commission, we do track placement for our students. We invest in our career services including more than 40 individual who work with our students to find employment in their chosen field upon graduation. In our 2009 Comprehensive Self Study Report to the Higher Learning Commission, a Commission of the North Central Association and Schools we provided placement information. The graph of our placement results are attached and can also be found on page 174 of the Self Study.

Document Request 38

We have not provided prospective students with any written materials or disclosures regarding placement, employment or salary information during this period. Prior to 2008, a document was provided to prospective students, which was completed for the placement rate of the program that they were enrolling. A copy of that form is included in the 2005, 2006, and 2007 enrollment packages in Item 29.

Document Request 39

Below are our practices and procedures for tracking job placement results.

Rasmussen College's Career Services Advisors (CSA) create an employment record in our student information database that is tied to the student's individual record no later than the student's quarter of graduation. The CSA receives a Graduate Packet completed by the pending graduate that lists their employment data and request for Job Placement services from Rasmussen. A copy of this form is attached.

The Graduate Packet authorizes Rasmussen to release the student's appropriate information to an employer as well as authorizes the employer to release all employment information to Rasmussen regarding the graduate.

If the student is already employed and not requesting further placement services, the employer's name, address and telephone number added to their employment record as well as



Job Title and Salary as listed by student. The employment start dates are listed in the information gathered from the students that are already employed, which would provide perspective on if the job was gained before, during or after attendance.

If the student is requesting services from the CSA, the CSA gathers the employment information from the graduate once placed and enters the data into Employment Record.

All employed students (regardless of date of employment) are combined in our employment rate assessments, which are broken down as Employed in Field, Employed in Area of General Study or Employed in an Unrelated Field. Only graduates employed in Field and General Study are included in our Success Rate metric.

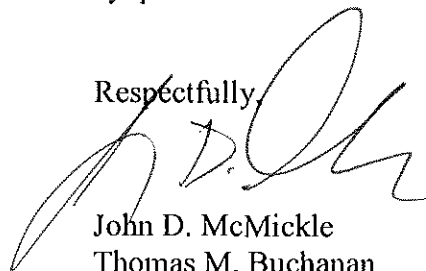
Rasmussen relies upon the self-reported information of our students for the input of the employment data into our student information system. In addition, there are various audit procedures throughout our system:

- State of Wisconsin requires annual direct confirmation with employers for all Rasmussen graduates with a Wisconsin legal address placed in the previous year.
- A number of our programs that are programmatically accredited, such as Medical Assistance, Surgical Tech, and Medical Lab Techs, require that we annually survey employers of our graduates. The objectives of these surveys are to evaluate the performance of our graduates and evaluate areas of improvement for our programs.
- Internal spot audits are performed on campuses to validate graduate and employer surveys information.

Finally, per agreement with your staff, for responses to Document Requests 30, 32, 34-36, we refer to materials responsive to previous requests as the information would be the same for a specific campus as it would be for the whole organization.

Please let us know should you have any questions.

Respectfully,



John D. McMickle  
Thomas M. Buchanan  
Winston & Strawn LLP

Enclosures