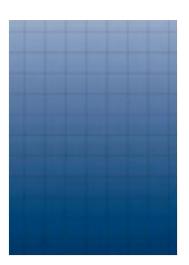
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Strategic Price Down







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Balance of Considerations

Business Performance vs. 90/10 Rule

3 more years of 90/10 rule "suspension"

- Suspension is really that the additional \$2,000 in Stafford funding does not count toward 90/10 for the next 2 years.
- No matter how positively business performance is impacted, violating 90/10 rule ends Title IV funding.





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Option A - Across the board price cut

Business Performance	90/10
+ Increased conversion rate	- Direct hit on 10% side of equation
+ Increased start rate	
+ Incremental starts	
+ Increased retention	
+ Reduced bad debt %	
 Reduces revenue from students who would pay entire amount, without defaulting. 	

Outcome Not Acceptable





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eliminate bad debt Option B -Need-based grants to

Business Performance	90/10
+ Increased retention	 Internal grants/scholarships do not help 90/10
+ Reduced bad debt %	
 Simply shifts bad debt to corporate subsidy 	

Outcome Not Acceptable

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Holistic Approach Required

Decrease Tuition Overall and Increase Revenue to the 10%

- Offsetting negative impact on 90/10 requires additional sources of revenue (and regional accreditation):
- Military (new GI bill)
- International students
- Corporate training programs
- Employer reimbursements
- Increased 3rd party scholarship funding





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Revenue sources impacting the 10%

Military (new GI bill)

New target market for WW (outside of Air Force)

International students

New target market for WW

Corporate training programs

Non-degree offerings a new business model for WW

Employer reimbursements

New student target for WW

Increased 3rd party scholarship funding

Not huge dollars

Currently 12 on-ground students receive an outside scholarship

Additional challenges for each

Online focus

Regional accreditation

- Online focus
- Online is part of only one OPEID group within WW so the 90/10 benefit will only be realized by approval from the US ED. that one group, unless all five groups are consolidated into one singular business unit with





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Breakeven analysis on tuition

Include impact on 90/10

Flesh out plans for new sources of revenue

- Cost of going after (resources, marketing, time, dollars)
- Revenue potential





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