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Mr. Chris Gabrieli, Chairman
Board of Higher Education
One Ashburton Place, Room 1401
Boston, Massachusetts 02108

Dr. Carlos Santiago, Commissioner
Department of Higher Education
One Ashburton Place, Room 1401
Boston, Massachusetts 02108

Dear Chairman Gabrieli and Commissioner Santiago:

We understand that the Board of Higher Education has been taking a rigorous look at the New England Institute of Art's ("NEIA") recent request regarding its teach-out. We applaud your efforts in this regard, and write to express our serious concerns about NEIA's mistreatment of students as the school winds down its operations in Massachusetts. Specifically, we ask that the Board hold a hearing on the performance of NEIA's current teach-out and its new plan to outsource the remainder of its teach-out obligations to an unlicensed foreign entity. We also urge the Board to prohibit NEIA from transferring any of its teach-out obligations until the school commits to needed financial relief for current and former students.

Last year, NEIA announced a multi-year plan to wind down operations, and began teaching out existing students while stopping new enrollments. NEIA represented to students that even with reductions in enrollment and revenues, the campus learning environment would not change. We have concerns that NEIA's teach-out is not living up to the school's promises.

Based on our outreach to students, it appears that the first year of the teach-out saw a significant reduction in student services and student educational choices. Students have reported to our Office that NEIA has suffered from a winnowing of course offerings since the announcement of the teach-out. Numerous NEIA attendees are now having difficulty finding the courses they need to graduate, and are in many instances forced to choose less appropriate classes in order to proceed towards graduation. As noted by the students, many of NEIA's courses are best suited for in-person instruction. However, students have reported that rather than taking courses in a physical classroom with instructors, as they were promised, they are instead increasingly shunted to online Art Institute coursework, which does not provide the personal and present learning environment for which these students are paying such high tuition and fees.



We have also been informed of other difficulties with the teach-out. Students have reported to our Office that staff is now often unavailable to assist them. This differs significantly from what NEIA promised students last year. Presently, financial aid, student tutoring, and career services have been greatly curtailed, despite the strong need for these services on campus. Similarly, school maintenance appears to have suffered, and we are concerned about reports of broken equipment and rundown facilities. The school seems also to have reduced student access to studios and other art/design tools, which is making it especially difficult for working students (who have more limited scheduling options) to access the necessary equipment to complete assignments.

We are concerned that these difficulties will only be exacerbated in the coming months. Ensuring a robust educational experience for students will become more and more economically untenable as the school tries to maintain its remaining course offerings, facilities, and career services with an ever dwindling cohort and revenue stream. NEIA's ability to complete a lengthy teach-out has always seemed a speculative venture. Even at the start of this process, NEIA's parent company's stock value was already plummeting, having dropped by over 90% in the prior year. The company de-listed from the NASDAQ and NEIA appeared on the U.S. Department of Education's Heightened Cash Monitoring List. During the last few months, things have gotten even worse, with NEIA's parent company stock now trading at about one penny per share, and many of NEIA's sister Art Institute campuses across the country closing or beginning the process of shutting their doors.

NEIA certainly seems to now recognize the fiscal difficulties. As the school has recently told you, it is hoping to abandon its teach-out plan, and instead outsource its teach-out. Under this plan, NEIA's assets (but not its relevant liabilities) would be transferred to the Ritnand Balved Education Foundation ("Ritnand"), a New Delhi-based entity, which will be paid to take over NEIA's teaching responsibilities. This is certainly not what NEIA promised students when it induced them to stay during the wind-down.

It is time to directly address these developments. We request that the Department of Higher Education hold a hearing and address both the performance of the current teach-out and NEIA's new plan to outsource the rest of its teaching obligations.

At the hearing, NEIA should be asked to demonstrate that its current teach-out plans are meeting the needs of its students. Questions such as whether there are sufficient courses in each area of study, whether the equipment remains functional and available, and whether the school has sufficient resources and personnel assigned to job placement and other promised services should all be addressed.

In addition, the school to which NEIA seeks to outsource its remaining teaching responsibilities should be required to show why it should be licensed to do so. Ritnand should be required to demonstrate its experience in art education, its track record in placing students in jobs in field, and whatever evidence it can provide demonstrating that it will assume and meet the promises that NEIA made to its students at the start of the proposed teach-out. The Massachusetts residents, who invested a fortune for an NEIA education, deserve certainty that their educational goals will be met.

If NEIA and Ritnand are unable to support their plans, it is time to close the school. Rather than dragging out this teach-out, or hoping that Ritnand can find a way to ensure a proper education for these students, NEIA should be shut down at the end of the current quarter.

NEIA students would greatly benefit from such a closure. Many quality schools in Eastern Massachusetts already offer robust art curricula, and provide a valuable education at a fraction of the price. Moving students to these schools could save them tens of thousands of dollars in loans that they will incur if they stay at NEIA. Moreover, if NEIA closes promptly, students who wish to pursue a different career path and have not yet completed their programs may be eligible for the discharge of federal student loan debt. This could give life changing relief to many students struggling under NEIA debts they will otherwise never be able to repay.

We ask you to schedule the hearing promptly. Please contact me at 617-963-2453 if you have any questions. We look forward to hearing from you.

Sincerely,



Glenn Kaplan, Chief
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