Five Myths about the U of I/UOPX Affiliation

October 27, 2023

Myth #3:

The debt resulting from this transaction belongs to 43EI, not U of I or the state of Idaho. The same applies to any other liabilities of 43EI. UI may choose to take on specific responsibilities to assist the transaction and UOPX's transition to a non-profit operation. For example, to secure better bond terms, U of I may choose to guarantee up to $10 million annually to cover the debt payment in the event UOPX cannot do so. These responsibilities will be finalized at closing. UOPX has strong financial stability, generates approximately $100 million of unrestricted cash flow annually, and $200 million of cash will be transferred to 43EI in addition to the regular working capital of the UOPX operation. In addition, 43EI will not pay income taxes or ownership dividends. We are confident that the UOPX will be able to fully fund all obligations.

Myth #4:

Yes, the U of I will benefit from this transaction. We anticipate a minimum $10M annually; however, that

courses on a very different timeline (rolling calendar vs. semester), and have a nearly identical price. This transaction does not change these primary drivers for attendance decisions. Through the affiliation we may improve opportunities for students such as student pathways, 3+1 programs, etc.

Resources

www.uidaho.edu/phoenix-faq

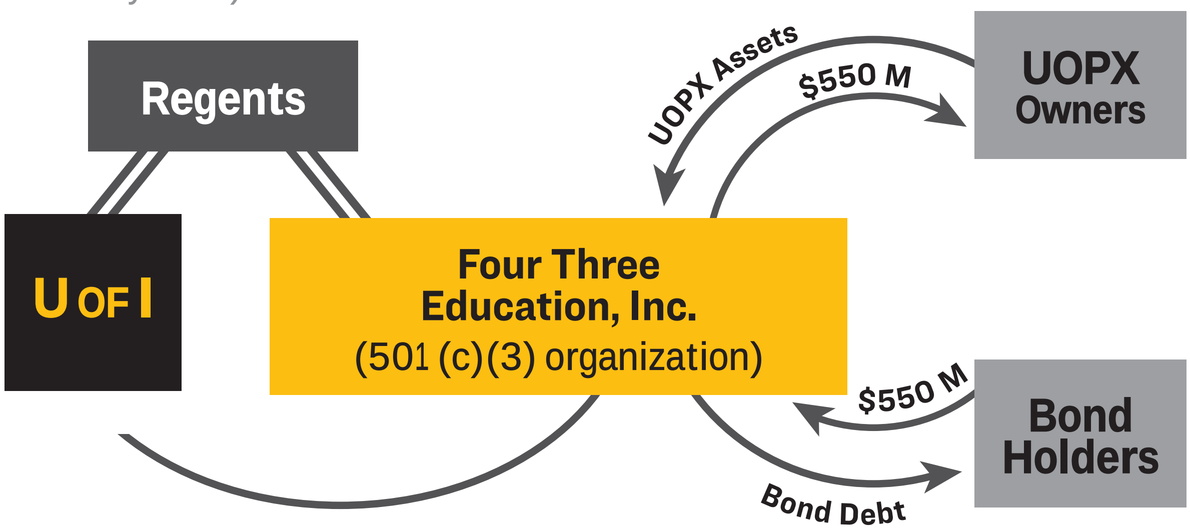
Questions:

FINANCIAL FLOW CHART

For U of I/UOPX A□liation

PURCHASE TRANSACTION

(Est. January 2024)



ANNUAL TRANSACTION

(post-closing)

NOTE: *U of I may choose to take on specific responsibilities to assist the transaction and UOPX’s transition to a non-profit operation. For example, U of I may agree to guarantee UOPX up to $10M annually as emergency support; however, it is highly unlikely this would occur given UOPX’s strong financial position.*