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SPECIAL REPORT

**60 Minutes, CBS News
"For-Profit College: Costly Lesson"**

Our coverage of this long awaited and feared story includes the following presented in chronological order.

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CAREER COLLEGE UPDATES

Allentown Business School Is now Lehigh Valley College

With an expanded library and teacher upgrades the college now meets the Pennsylvania Division of Higher Education's criteria for two-year colleges. p.15

Institute of Health Technology Changes Name, Renovates

The U.S. Education Corp. school has changed its name to Apollo College and will continue to expand its program offerings. p.16

Local Competition Heats Up In Higher Education

Minnesota's biggest education success story is online university Capella Education Co. whose enrollment topped 10,000 this year. p.16

DeVry University Announces Agreement with Cisco Networking Academy to Offer Scholarships

DeVry will offer scholarships of \$1,200 per

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R E V I E W

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semester to high school and community college students who successfully complete a Cisco Networking Academy course. p.17

Phoenix University Campus In Jersey City All Business

Phoenix's business career focus attracts attention in New Jersey—a state that remains concerned about the college's expansion into the state. p.18

Kaplan University Celebrates Opening of 100,000-Square-Foot South Florida Facility

The new Fort Lauderdale facility is the largest of the three Kaplan South Florida locations and will house over 700 full-time employees. p.19

NEW PROGRAMS AND PERSONNEL

NEW PROGRAMS

U.S. Education Corporation has introduced a new associate of science degree completion program in **health studies**, which is an online program at Western Career College. p.20

DeVry University will be among the first to offer a bachelor's degree program in **game and simulation programming**. The new programs at the Phoenix and Fremont, California campuses will advance game and simulation programming as an academic discipline. p.21

Long Technical College in Phoenix has introduced a new associate's degree in **veterinary technology**. p.21

NEW PERSONNEL

Corinthian Colleges names **Anna Marie Dunlap** to head investor and corporate communications. Dunlap brings a 25-year career in communications and public policy to the new position. p.22

DeVry University names **John Holbrook** as vice president of new student recruitment. Immediately prior to joining DeVry Holbrook served as director of field recruiting and training for ITT Educational Services. p.23

EDUCATION TRENDS

SAT Prep Rocks! Kaplan and Defined Mind Release Compilation of Original SAT Vocabulary-Rich Hip-Hop, Rock, Alternative and R&B Music

The CD includes twelve songs by up-and-coming artists and is bound with a comprehensive study guide, published by Defined Mind, that exercises students' knowledge of the over 300 key words found in the songs. p.24

Colleges Selling Sex, Skiing and Rock 'n' Roll In Catalogs

When it comes to recruiting students for college, admissions officials are turning to increasingly outlandish stunts to get the attention of high schoolers. p.26

ACQUISITIONS AND MERGERS

Lincoln Educational Services Corporation Completes Acquisition of New England Technical Institute

The school operates four Connecticut campuses, which serve the New Britain, Cromwell, Hamden and Shelton markets. The acquisition brings the number of postsecondary schools that Lincoln owns and operates to 32 campuses in 15 states. p.27

Kaplan Higher Education Acquires Professional Careers Institute

The purchase of the Indianapolis school expands Kaplan's campuses to 70 in 16 states and is the company's third campus in Indiana. p.28

PUBLIC POLICY

Making College More Expensive: The Unintended Consequences of Federal Tuition Aid

The estimates of the amount that federal education programs impact tuition vary in reports, but it is commonly accepted that current policies increase tuition and some portion of the federal assistance ends up being captured by state governments and by the colleges and universities. p.29

Tuition Inflation Spurs Calls For Congressional Action

With college costs running as high as \$40,000 a year, House and Senate education committees have tuition control on their to-do lists. **p.30**

CORPORATE SCHOOL NEWS AND REPORTS

APOL Apollo Group, Inc.

The Department of Justice has filed a friend-of-the-court brief supporting a whistle-blowers' lawsuit against the University of Phoenix that claims that college counselors were paid commissions to enroll students in violation of federal law. **p.32**

CCDC Concorde Career Colleges, Inc.

The company reported for the quarter ending December 31, 2004 a revenue increase of 9 percent to approximately \$81.5 million. Enrollments decreased 1.4 percent or 131 students to 9,323. **p.33**

CECO Career Education Corporation

The company will close its campuses in Montreal and Fairmont, West Virginia, which have not been profitable. **p.33**

COCO Corinthian Colleges, Inc.

The company has reported for 2005 second quarter that revenue increased 23.7 percent and total student population grew 17.7 percent. **p.34**

The company was exonerated when the Securities and Exchange Commission ended its investigation of the company without any enforcement action. **p.36**

The company also commented on the impact of the changes to the Pell Grant formula and anticipates no material impact for either the company or students. **p.36**

DV DeVry Inc.

The company's shares have risen after it posted quarterly earnings that missed expectations, but convinced Wall Street a turnaround is in the works. **p.37**

ESI ITT Educational Services, Inc.

The company reported its results for the fourth quarter and fiscal year ending December 31, 2004. Earnings per share for its 2004 fiscal year increased 26.8 percent to \$1.61. New student enrollment for the fourth quarter increased 8.7 percent to 7,909, and total student enrollment as of December 31, 2004 increased 10.8 percent to 40,876. **p.38**

FINANCE AND INVESTMENT

Recapitalization of Virginia College by Willis Stein & Partners

Willis Stein & Partners, a Chicago-based private equity investment firm with approximately \$3 billion in assets under management, has joined with company management to recapitalize Education Corporation of America, which operates Virginia College. Virginia College has seven campuses in the southern U.S. and is headquartered in Birmingham, Ala. **p.39**

Capella Education Company Announces New Investors

Insight Venture Partners and Technology Crossover Ventures have made a series of investment transactions totaling more than \$60 million. **p.40**

REVIEW OF ADVERTISEMENTS

Display Ads **p.41**

High-Tech Institute
Everest College
United Education Institute
Pima Medical Institute
North Texas Professional Career Institute
Concorde
Arizona College of Allied Health
CollegeAmerica
Apollo College

Advertorials **p.44**

Peterson School
Bay State School of Technology
DeVry University
