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FEATURE STORY

In Thirty-Five

“Specs Howard” has made a major mark in Detroit broadcasting, on both sides of the microphone. In the past 35 years the school founded by Jerry Liebman, now run by his son Jonathan, has produced more than 10,000 graduates. p.1

CAREER COLLEGE UPDATES

DeVry University’s National Computer Game Tournament Gives Game Enthusiasts a “Sneak Peek” of Unreleased Computer Game

The tournament was held nationwide at 21 DeVry campuses in 17 markets. Competitors had the opportunity to win prizes on both the campus and national level as well as explore career-training opportunities at DeVry. p.4

DeVry Taking Area’s Pulse After Nursing School Deal

The Columbus, Ohio campus is one of many DeVry locations that is considering offering nursing as a result of the company’s recent purchase of Deaconess College of Nursing in St. Louis. p.5

Empire Beauty School Students to Participate in National Competition and Show at Madison Square Garden

Almost 6,000 students from the company’s 37 locations in nine states are competing to participate in the national show. p.7

School Gives Hands-On Experience

Remington College in Tampa impresses a local reporter with a great price and enthusiastic students. p.8



The Career College Information Source

Published by:

WORKFORCE COMMUNICATIONS

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- ▶ The *Career Education Review* is archived by the University of California, Los Angeles (UCLA).

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RESPONDING TO NEGATIVE PRESS

The former Allentown Business School, now Lehigh Valley College, owned by Career Education Corporation was the target of a lengthy and critical story in the local paper *The Morning Call*. Our coverage includes:

School's Pursuit of Profit Leaves Students Behind

The investigation by *The Morning Call* included interviews with more than 20 LVC students and graduates and a dozen former LVC faculty and staff. It also referenced documentation from the federal and state education departments, as well as student complaints and internal documentation. p.9

Lehigh Valley College Faculty, Students and Graduates Respond to the Story

Letters to the Editor reveal various perspectives from criticism to praise. p.18

NEW CAMPUS LOCATIONS

Education Management Corporation announces a new **Brown Mackie College** in Denver. The campus will first offer classes in July 2005. p.20

U.S. Education Corporation plans to open two new campuses for **Western Career College**. The new locations will be in Citrus Heights and Stockton, California. p.20

Kaplan Higher Education expands with a **Maric College** campus in Bakersfield, California. This campus will be the company's 17th location in California and 73rd nationwide. p.21

ITT Educational Services, Inc. will open a learning site in Aurora, Colorado. The company will also open its first ITT Technical Institute in Owings Mills, Maryland. p.22

WyoTech's campus in Sacramento is expanding after one year in the market. Other school groups also find Sacramento to be a good market. p.23

PERSONNEL ADVANCEMENTS AND APPOINTMENTS

Kevin M. Modany has been appointed president and chief operating officer for ITT Educational Services, Inc. p.24

Janice L. Block has joined Career Education Corporation as senior vice president and general counsel. p.25

Michael D. Bouman has been promoted to president and will retain the title and responsibilities of chief operating officer for Empire Education Group. p.25

ACQUISITIONS AND MERGERS

To DeVry CEO, M&A is About Selectivity

CEO Ron Taylor explained the company's reluctance to do deals. Several financial groups have done well, but with the money now chasing deals there is growing upward pressure on multiples. p.26

EDUCATION & CAREER TRENDS

Is Phoenix the Future?

A traditional educator's research of the for-profit sector includes joining the University of Phoenix faculty. Berg's comparison of the various systems of higher education is the basis of his book and interview. p.27

Cautious Optimism on Careers in Information Technology

As the economy revives, job opportunities for people with information technology skills are projected to increase as vacant jobs are filled and replacements hired. p.29

Second Chances: Use Net, Other Media to Reach Hard- To-Find Career-Changers

Career-changers are everywhere and nowhere, and a marketer cannot identify them until they make a move. The most effective schools have developed an Internet strategy that attracts those considering job change or educational upgrade. p.30

CORPORATE SCHOOL NEWS AND REPORTS

CCDC Concorde Career Colleges, Inc.

The company reported for the quarter ending March 31, 2005 a revenue decrease of 0.4 percent to \$20.3 million, a net income decrease of 68.9 percent to \$406,000 with an earnings per share decrease of 70 percent. p.32

CECO Career Education Corporation

The company's first quarter 2005 total revenue increased 29 percent to \$512.3 million. The increase in revenue is primarily attributable to an approximate 21 percent increase in student population and an approximate 8 percent increase in average revenue per student during the first quarter. **p.33**

The company also reported that the SEC has completed its review of the company and has no further comments at this time. **p.34**

COCO Corinthian Colleges, Inc.

The company reported results for the third quarter ending March 31, 2005. Total revenue increased 16.9 percent to \$254 million from \$217.3 million with same school revenue increasing 12.4 percent. Marketing and admission expense for the quarter was 24 percent of revenue versus 22.5 percent for Q3 04 and 23.2 percent in Q2 05. **p.35**

DV DeVry Inc.

The company reported for the third quarter that revenues were \$201.9 million, compared with \$196.8 million for the same quarter one year ago. Net income for the quarter totaled \$11.9 million down from \$16.3 million the previous year. Improving declining enrollment continues to be a major company focus. **p.37**

ESI ITT Educational Services, Inc.

In the first quarter of 2005 the company increased earnings per share by 68.4 percent to \$0.32 compared to \$0.19 in 2004. Revenue increased 13 percent to \$160.2 million compared to \$141.7 million in 2004. New student enrollment in the first quarter increased 6.1 percent to 9,824 compared to 9,253 in the previous year. **p.38**

LAUR Laureate Education, Inc.

The company announced strong first quarter 2005 results with a 32 percent increase in total student enrollment, and an increase in revenues of 39 percent to 184.1 million compared to \$132.2 million in the same quarter last year. **p.40**

LEGAL ISSUES AND INVESTIGATIONS

Students Sue Bryman College

Fourteen students at Bryman College's Tacoma campus have accused the school of

misrepresenting its medical assistant program, making it the fourth local school taken to court by its students in recent months. **p.41**

FINANCE AND INVESTMENT

Corinthian Outlook Disappoints; Stock Drops

The company reported slowing enrollment growth and forecast lower-than-expected quarterly earnings, sending shares down as much as 16 percent. **p.42**

Investors in Apollo Balking at Slowdown

Investors zeroed in on "trouble spots" in the company's earnings report including, a big spike in marketing expenses; slower-than-expected growth at traditional UoP campuses; and, for the first time anyone can recall, lower-than-expected revenue. **p.43**

AS WE GO TO PRESS

Career Education Corporation board has been challenged by major stockholder and former school owner, Steve Bostic. Mr. Bostic is seeking to withhold authority from director nominees and support for three corporate governance proposals at the May 20, 2005 annual meeting. **p.44**

Our report includes:

Steve Bostic's Letter to the Career Education Corporation Stockholders

CECO's Press Release: Career Education Corporation reports on special committee investigation

Bostic's Responding Press Release: ISS recommends Career Education stockholders withhold authority from director nominees and vote for Bostic's three corporate governance proposals

REVIEW OF ADVERTISING

Display Ads **p.49**

Focus on New York Market

- Apex Technical School
- New York Medical Career Training Center
- Manhattan Institute
- Access Career Training
- The Allen School