

# Contents

## CAREER COLLEGE UPDATES

### Driving School Without Peril to Life or Rig

Schneider National, the country's largest trucking company, utilizes a high tech driving simulator at its driver training schools. p.1

### Potential New Student Recruitment Opportunity From New Ford Education Program

Ford recently announced that it will pay college tuition for laid off UAW employees as an alternative to the more expensive JOBS Bank program. This could open a door for schools with ties to the automotive industry. p.3

## NEW CAMPUS LOCATIONS

**University of Phoenix** has opened a

new campus in Norwalk, Connecticut, which is the college's first location in the state. p.4

**Strayer University** has set up shop in Wilmington, Del. The campus started offering classes last month. p.5

**DeVry** is selling its 20-acre campus in West Hills, Calif. The decision was spurred by students' changing needs and unsolicited inquiries by developers and investors looking for property. p. 6

## NEW PROGRAMS

### DeVry University Announces New Undergraduate Finance Major Online to Meet Growing Demand

The new undergraduate major will be launched in March as part of DeVry's business administration bachelor's degree program. p.7



The Career College Information Source

*Published by:*

**WORKFORCE COMMUNICATIONS**

627 Bay Shore Drive, Suite 100, Oshkosh, WI 54901  
920-231-9950 • 1-800-558-8250 • Fax 920-231-9977

Web site: [www.workforce-com.com](http://www.workforce-com.com)  
Email: [mcooney@workforce-com.com](mailto:mcooney@workforce-com.com)

**Michael J. Cooney** .....**Editor**  
**Terry L. Staerkel** .....**Production Manager**  
**Stacy L. Weinreis** .....**Production Designer**  
**Terri Dougherty** .....**Staff Writer**  
**Sean P. Johnson** .....**Staff Writer**  
**Jim Meyer** .....**Staff Writer**  
**Barbara Schmitz** .....**Staff Writer**

© 2006 The Baxandall Co., Inc.

## Editorial Advisory Board:

- ❖ **Chairman**  
Stephen B. Friedheim  
Education Systems & Solutions, Dallas, TX
- ❖ Richard W. Ashley, Executive Vice President  
Southwest Florida College, Fort Myers, FL
- ❖ Richard C. Close, Managing Director  
Jefferies & Co., Nashville, TN
- ❖ Richard R. Dumaresq, Executive Director  
PAPSA, Harrisburg, PA
- ❖ Jan Griffin, President  
Griffin Marketing Group, Indianapolis, IN
- ❖ John B. Lee, Ed.D., President  
JBL Associates, Inc., Bethesda, MD
- ❖ Robert L. Martin, Executive Director  
Career College Foundation
- ❖ Tom E. Netting, Vice-President  
Jefferson Government Relations, Washington, DC
- ❖ Harry Weber, President  
Weber & Associates, Greenville, SC

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

**PERSONNEL APPOINTMENTS  
AND PROMOTIONS**

**Apollo Group CEO Resigns**

The sudden departure of CEO Todd Nelson surprised Wall Street and has yet to be explained by the company. p.8

**Apollo Group Shares Slide After CEO Resignation**

The company's shares dropped 8 percent after the unexplained departure of Todd Nelson. p.10

ANALYSTS' COMMENTS:

**Todd Nelson Departure Could Cost Company \$30 Million**

The package includes an \$18 million separation payment net of taxes, which with taxes could run as high as \$30 million. p.10

*—Jeffrey M. Silber/Harris Nesbitt*

**Management Shake Up Does Not Change Our Valuation or Rating of Apollo Group Shares**

Cost to the company could reach \$32 million, analysts project. p.10

*—Trey Cowan/Stanford Group Company*

**Apollo Group CEO Resigns**

The Apollo board had three meetings in January without Todd Nelson's participation and likely without his knowledge. p.11

*—Baird Class Notes*

**Corinthian Taps Past Taco Bell President**

Struggling with low enrollment, Corinthian Colleges, Inc. has hired Peter Waller to help with operations and marketing. p.12

ANALYST'S COMMENT:

**New COCO President/COO—Our View**

Waller does not appear to have any educational industry experience, but that may not necessarily be a bad thing, as we believe his consumer products experience is a plus. p.12

*—Jeffrey M. Silber/Harris Nesbitt*

**EDUCATION AND CAREER  
TRENDS**

**Law Enforcement Careers Continue Strong Growth; Westwood College Offers Criminal Justice Bachelor's Degree at Atlanta Campuses**

Projections are for criminal justice careers to continue growing at a strong pace through the next decade. p.14

**Tech Convergence: Tying It All Together**

Synergy is key for all those cool devices, which are becoming more available, accessible and cheaper. p.15

**Attrition Risks Increasing**

With the likelihood of higher student attrition in future periods at both Apollo and Strayer, the negative consequences include slower revenue growth, increased educational costs, higher bad debt and faster marketing spending. p.16

**CORPORATE SCHOOL NEWS  
AND REPORTS**

**COCO Corinthian Colleges, Inc.**

The company reported that quarterly profit fell 47 percent as student enrollment declined, but investors responded to the company's record free cash flow, sending its shares up sharply in heavy trade. p.17

**DV DeVry Inc.**

The company reported revenues for the second quarter of fiscal 2006 were \$209.9 million, compared to \$194.5 million for the same quarter last year. Net income for the quarter totaled \$10.8 million. p.19

**ESI ITT Educational Services, Inc.**

The company reported that new student enrollment for the fourth quarter increased 11.6 percent to 8,828, and that total enrollment increased 5.2 percent to 42,985 compared to last year's figure of 40,876. p.20

## LEGAL ISSUES

### **Prof's Firing Stirs Blog Debate**

The firing of a DeVry instructor raised first amendment questions and generated considerable public attention. [p.22](#)

### **Career Education Corporation's American InterContinental University (AIU) Provides Accreditation Update**

A comprehensive plan has been put in place to deal with issues and concerns from the accrediting body. [p.24](#)

### **Corinthian Colleges Reports Favorable Arbitration Award in Satz Case**

The arbitrator found in favor of the company on all counts regarding the transferability of credits from Florida Metropolitan University. [p.25](#)

## PUBLIC POLICY

### **EVCI Career College Reports New Student Caps for Interboro's Spring 2006 Through Spring 2007 Semesters**

The enrollment caps are based on the expectation that at least 65 percent of the students enrolled in the first semester will persist to the second semester of their respective program. [p.26](#)

### **Ninth Law Firm Files Class Action Suit Against EVCI Career Colleges Holding Corp.**

Lerach Coughlin joins the action previously filed by the other firms. [p.27](#)

### **New York Moves to Limit Colleges That Seek Profit**

The freeze comes as state education officials, the governor and lawmakers are examining ways to tighten regulations or financing of this fast-growing sector of higher education in the state. [p.28](#)

### **N.Y. Reins In For-Profit Colleges**

The state faces the issue of how to monitor this sector. [p.30](#)

### **State Looks at College Oversight**

The state of Washington is considering legislation that would permit the state Workforce Training and Education Coordinating Board to put schools on probation if they have a history of substantiated student complaints, as well as impose minimum standards for school instructors. [p.32](#)

### **John Boehner's Profitable Education**

The support of the for-profit education sector has been noted in various press reports on Boehner's rise to House Majority Leader. [p.33](#)

### **Controversial Industries Have Backed Boehner**

Boehner's PAC received \$72,550 in donations from employees and lobbyists from for-profit colleges and trade schools. [p.35](#)

## REVIEW OF ADVERTISEMENTS

### **Display Ads** [p.37](#)

- Parks College
  - TechSkills
  - Denver Career College
  - Strayer University
-